

BADGER

BADGER INFRASTRUCTURE SOLUTIONS ESG REPORT 2023/2024

SUSTAINABLE PROGRESS



ABOUT THIS REPORT

Reporting Timeline

This report illustrates the progress made by Badger Infrastructure Solutions Ltd. (together with its affiliates, “we,” “us,” “our,” “Badger,” and “the company”) in improving our environmental, social, and governance (ESG) performance since our last disclosure in March 2023. Data, case studies, policies, and commitments mentioned in this report are drawn from throughout 2023/2024, unless stated otherwise.

Report Scope

This report covers the entirety of Badger’s operations, including, but not necessarily limited to, our light-duty and heavy-duty excavation fleet, branch, and manufacturing facilities, and non-destructive excavation service capabilities.

Report Methodology

In 2020, Badger’s senior leadership team underwent a thorough evaluation process to identify the most relevant ESG focus areas for our business. This assessment included a series of interviews and focus group sessions with key stakeholders across the company, which supported the development of six ESG focus areas. In 2022, Badger conducted a similar evaluation process and confirmed the same six ESG focus areas remained priority.

Reporting Standards and Framework

Badger is committed to advancing our alignment with ESG disclosure standards and plans to further incorporate the Sustainability Accounting Standards Board (SASB) framework into our ESG strategy moving forward. The basis of this report drew inspiration from SASB’s Engineering and Construction Services, Waste Management, and Chemicals accountability standards.¹ Moreover, given the multifaceted nature of Badger’s work, we will continue to assess the alignment of future disclosures with ESG best practices.

Looking to the Future

We aspire to publish an updated version of our ESG report every two years to showcase progress across our six ESG focus areas and/or any others that may become relevant to Badger’s ESG strategy over time.

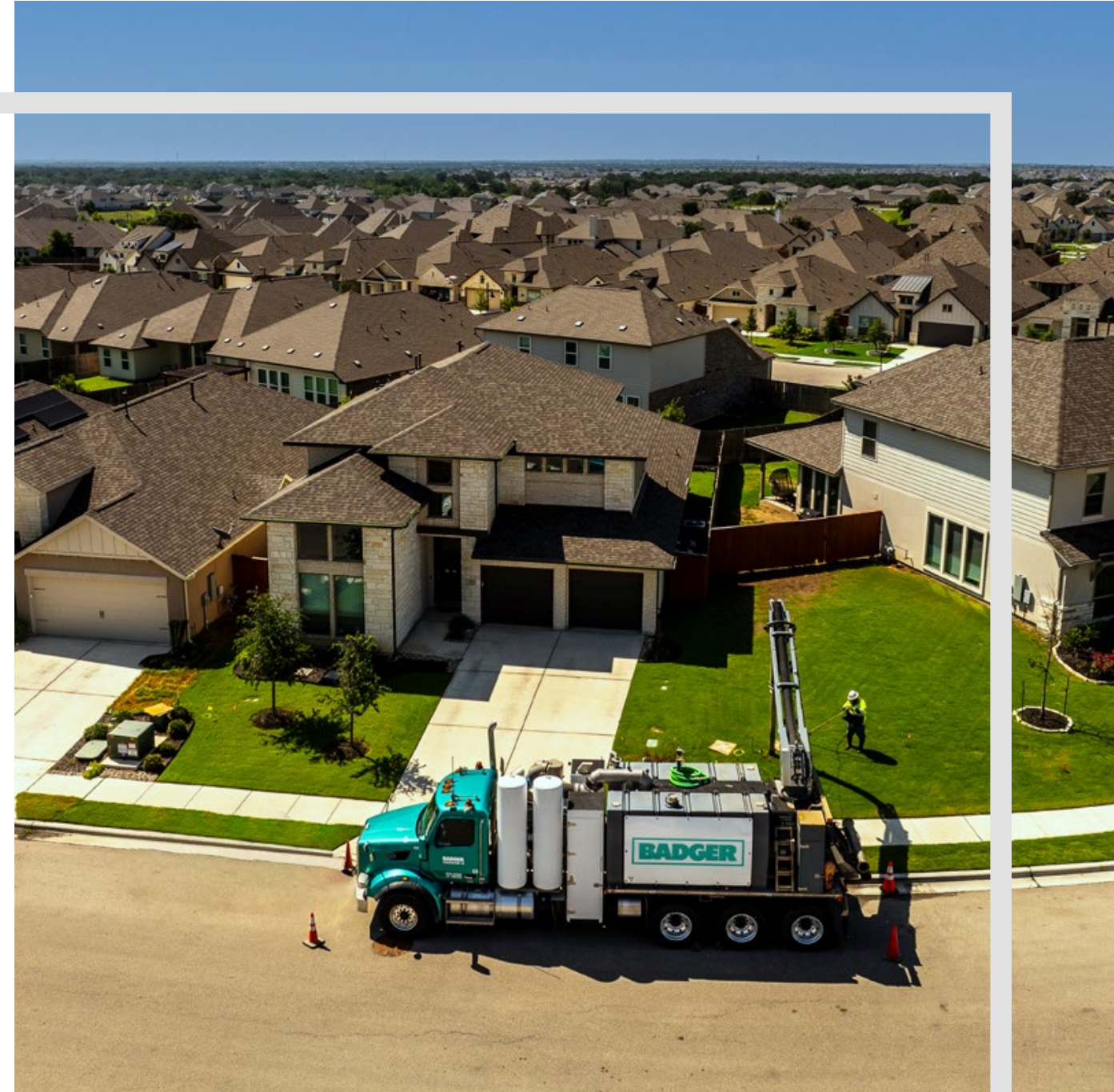


COMPANY WEBSITE:

badgerinc.com

INVESTOR RELATIONS:

ir.badgerinc.com



¹ Although Badger reports to the Waste Management SASB standard, the materials Badger handles are primarily comprised of clean dirt, water, and, in some circumstances, contamination of hazardous materials.

COMPANY PROFILE

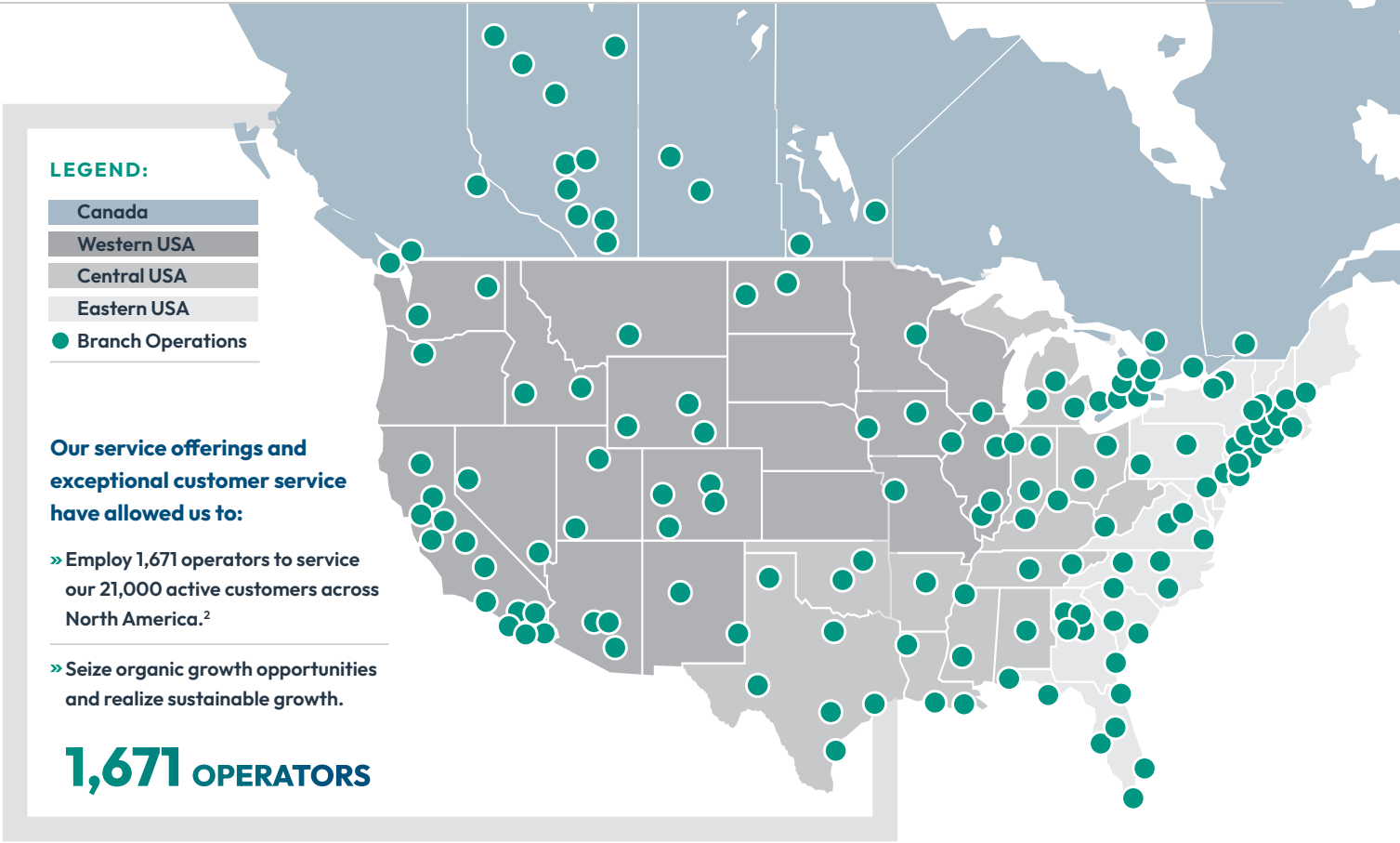
Since 1992, Badger has been a leading provider of non-destructive excavation services across North America.

Badger’s combination of regional expertise, local presence, technical excellence, and investment in cutting-edge technologies has differentiated us for over 30 years. We provide premium solutions for our customers, with the core of our business being centered around our proprietary Badger Hydrovac™ systems and services that enable efficient, safe, and reliable excavation services to reduce the risk of damaging underground infrastructure.

Badger is a vertically integrated company that controls the manufacturing and supply of our excavation fleet vehicles.

Lean manufacturing principles are implemented throughout our manufacturing facility in Red Deer, Alberta, focusing on continuous improvement and promoting efficiency.

Unlike traditional excavation service providers, Badger’s non-destructive excavation solutions are accompanied by a variety of support services that enable our trucks to accurately locate key components of underground infrastructure, mitigate the risk of potential line strikes, and ultimately protect our clients from costly repairs, service interruptions, and releasing harmful products into the environment.



Our Best-In-Class Non-Destructive Excavation Service Offerings Include:

Hydrovac: Badger Hydrovacs feature a tuned pressurized water system, an industrial-strength vacuum, and a collection vessel to loosen and remove soil, clay, or dirt in a targeted excavation area and safely expose any known or unknown buried infrastructure. Collected job materials may be disposed of on-site or at approved off-site locations.

Industrial Services: Badger Hydrovacs can also be used for industrial cleaning. The pressurized water system functions as a pressure washer, while the industrial vacuum simultaneously captures the applied water and removes residue and debris.

Locating Services: Badger can provide customers with enhanced GPS data so they can accurately visualize their buried infrastructure, protect their assets, and excavate with confidence.

Sewer Services: Badger can support customers with various advanced sewer-related services, including CCTV inspections, air testing, line inspections, and laser profiling.

Airvac: Badger Airvacs and modified Badger Hydrovacs operate similarly to Badger Hydrovacs in that they loosen soil and clay dirt in the targeted excavation area using compressed air instead of water.

² 1,390 Commercial Driver's License (CDL-certified) operators and 267 assistant (Non-CDL certified) operators.

A MESSAGE FROM OUR PRESIDENT AND CHIEF EXECUTIVE OFFICER

Over the past two years, our ESG efforts have delivered impressive results, reinforcing our commitment to environmental stewardship, social responsibility and safety, and good governance. We are proud to share the progress we have made on our ESG journey to address enterprise risks related to environmental compliance, health and safety, transportation safety, and board governance. This progress is reflected in our best-in-class performance throughout 2023 and 2024—all while achieving year-over-year growth in both revenue and EBITDA.

The operational excellence we have achieved in our manufacturing processes continues to be a driving force behind our success. What started as a targeted improvement has now been expanded across all areas of our business, and we are excited to further scale and build on this momentum as part of our strategic growth plans.

We are also continuing to invest in and refine technologies that help reduce greenhouse gas (GHG) emissions. As we transition to next-generation supplier engine technologies that meet evolving regulatory standards, we're actively benchmarking our GHG emissions, as well as water and material usage, to track progress and drive innovation. We have made strides in improving water efficiency and maximizing the recycling of customer materials—always with a focus on environmental responsibility in every community where we live and work across North America.

We are proud of the progress we have made, and we remain focused on aligning our ESG initiatives with our Mission, Vision, and Values—fully integrating sustainability into the heart of our long-term growth strategy.

“Badger continues its purposeful path forward as we evaluate Sustainability efforts, adapt to change, and look to continuous improvement through innovation and operational excellence. We have invested in technology, refined processes, improved health and safety performance and governance, and created a workplace that attracts and retains the most qualified people who are afforded the opportunity to do their best work that benefits all our stakeholders.”



—Robert Blackadar
President and Chief Executive Officer



APPROACH AND PRIORITIES

Prioritizing our ESG focus areas.

Incorporating ESG Into Our Corporate Strategy

A key enabler to seizing organic growth opportunities and achieving our long-term revenue targets will be progressing our ESG performance to meet the growing demands of the customers and communities we serve. We evaluate our business and strategic priorities through the lenses of environmental stewardship, social responsibility and safety, and good governance.

These three strategic lenses have now manifested in the overarching guiding principles of our corporate ESG strategy. Each of these principles and their significance are defined below.



Environmental Stewardship

Maintaining accountability for the impact of our operations on all aspects of the environment, including the emissions we generate, the water we withdraw, and how we manage customer materials.



Social Responsibility and Safety

Creating a fair, inclusive workplace free of favoritism, where equitable opportunities are accessible to all, and safety and integrity are woven into everything we do.



Good Governance

Remaining transparent about our operations and objectives with all our stakeholders is crucial. Additionally, managing our exposure to risk as we progress along our ESG journey and pursue meaningful growth targets.

“Our journey of continuous improvement across our six core focus areas, is beginning to yield meaningful results in our ESG program.”

—Robert Blackadar
President and Chief Executive Officer



MISSION, VISION, & VALUES

Our vision is to be the world's leading provider of non-destructive excavation solutions.

We strive to achieve this by delivering excavation solutions that are efficient, safe, and reliable.



Success = Safety.

The foundation of our work is safety. We are committed to causing zero harm to people and underground infrastructure.



Do it right, make it right.

We are customer-focused and committed to providing efficient, safe, and reliable service. Trust is essential, and we work hard to earn and maintain it.



Say it. Do it. Own it.

We value growth and stability achieved through a results-driven approach with a long-term focus.

APPROACH AND PRIORITIES (CONT.)

Approach to Identifying ESG Focus Areas

To effectively progress our ESG performance, Badger identified focus areas that link to our Mission, Vision, Values, and our guiding principles of environmental stewardship, social responsibility and safety, and good governance. We prioritize topics that are most important to our stakeholders and have or could have the most significant impact on our business.

We previously conducted a materiality assessment that consisted of our senior leadership team and Board of Directors (the Board) evaluating various ESG focus areas based on two key criteria:

- 1. The importance of the focus area to Badger’s primary stakeholders.
- 2. The impact the focus area has on Badger’s overall business and operations.

The results of this assessment were consolidated and evaluated by senior leadership along with the company's corporate strategy to determine the top six focus areas that were considered material to Badger’s business and stakeholders.

The development and prioritization of our ESG priorities is an iterative journey. Therefore, we are committed to assessing on a biannual basis which ESG priorities are most relevant to us and making necessary adjustments as the needs of our stakeholders and business evolve.

Badger’s 2023/2024 ESG focus areas:

- 

Water Stewardship

» Using water in an environmentally sustainable, economically beneficial, and socially equitable way.
- Customer Materials Management**

» Managing the safe disposition, reuse, or recycling of customer materials generated as an output of our operations.
- Scope 1 and 2 Emissions**

» Addressing the GHG emissions generated directly by our fleet and indirectly by our offices and facilities.
- 

Safety and Integrity

» Managing workplace hazards and limiting mistakes to protect our stakeholders from injury or economic harm.
- Respect and Opportunity**

» Promoting fair treatment and full engagement of all team members, as well as facilitating equitable relationships with the communities in which we live and work.
- 

Governance and Risk Management

» Overseeing risks associated with environmental stewardship, social responsibility, and safety.

PERFORMANCE OVERVIEW

Since our 2021/2022 ESG Report was published, we have been able to progress our ESG strategy and enhance our overall maturity across our three ESG guiding principles: environmental stewardship, social responsibility and safety, and good governance.

Select performance metrics across these principles can be found below:³

	Environmental Stewardship Badger pursued innovation strategies to enhance excavation, fleet efficiency, and improve material management.	128.9 tCO₂e/ million USD in 2024 Emissions Intensity (Revenue) decreased in 2024, from 142.2 CO ₂ e (tonnes)/Million USD in 2023.	1.2% decrease Gross Total Scope 1 & 2 (Location Based) Emissions decreased by 1.2% in 2024 to 96,058 co2E (tonnes) from (97, 249 Co2E (tonnes) in 2023.	ZERO Notices of Violations with environmental regulations in North America.
	Social Responsibility and Safety Badger has achieved its best health and safety performance in company history over the last two years and progressed our efforts in equitable employment by fostering inclusivity, ensuring opportunities for all.	Enrolled in the Partnership Accreditation in Indigenous Relations (PAIR) Certification Program.	0.82 total recordable incident rate, a 40% decrease from 2022.	0.31 vehicle incident rate, a 48% decrease from 2022.
	Good Governance Badger upheld strong governance through ethical oversight, representative board leadership, enterprise risk management, and performance-based ESG incentives to promote accountability, integrity, and transparency.	30% female representation within our Board of Directors.	90% of directors on the Board are independent.	25% of executive short-term incentive compensation links to performance in key ESG focus areas.



³ Unless stated, these metrics reflect Badger's performance as of the end of 2024.

WATER STEWARDSHIP

Water is critical to our business, and we recognize the responsibility that comes with its use.

Navigating Water Risks and Opportunities

Water remains a critical resource and a unique operational challenge for our business. Badger Hydrovacs rely on water for safe excavation around underground infrastructure, making it essential to our work. However, water presents operational complexities, including monitoring water usage, managing water weight in our fleet, controlling costs, and maintaining supply in water-scarce regions. We continue to focus on technological innovations and explore water metering capabilities to optimize and track water use, enhance operational efficiencies, and maintain regulatory compliance across North America.

Restructuring Our Water Strategy

As part of our commitment to continuous improvement, we are refining our water stewardship strategy. While our previous investment in Airvac technology did not yield the expected results, it provided valuable insights that are shaping our approach. We are now prioritizing:

Deploying Air Compressors: Integrating air compressors into select Hydrovacs remains a viable alternative to pure water excavation in specific soil and market conditions.

Expanding Conservation Efforts: Evaluating lower-volume water excavation heads, optimizing fill processes, identifying water recycling options at job sites, and raising team member awareness on reducing water use throughout our manufacturing processes.

Enhancing Water Use Monitoring: Addressing data limitations revealed in a 2024 baseline water consumption assessment by exploring radar technology within Badger Hydrovacs to improve tracking and metering.

Performance Overview

Zero Compliance Violations: No substantive notices of violations related to environmental standards or regulations.

Fleet Expansion with Efficiency Upgrades: We added 34 Hydrovacs with air compressors in 2024, bringing our total to 68 and making up 4% of the excavation fleet.

Manufacturing Water Reuse Initiative: We installed a holding tank at our manufacturing facility to recycle water for testing new trucks, reducing annual water consumption by approximately 16,000 gallons per truck built.

Looking Ahead

Throughout 2025, Badger will:

Enhance Fleet Technology: Pilot radar technology on debris and water tanks, and pilot water meter technology on Hydrovacs to improve water usage monitoring and data accuracy.

Expand Air Compressor Use: Continue to add air compressors to hydrovacs.





CUSTOMER MATERIALS MANAGEMENT

We handle customer materials the right way the first time.

Mitigating Risks In Materials Management

Customer materials management refers to the methods Badger uses to dispose of or recycle impacted soil or other substances generated as an output of our operations. We adhere to all relevant local, state, provincial, and federal environmental materials management regulations and vet disposition sites to ensure that soils or slurries deposited by Badger are recycled, treated, and stabilized appropriately based on their composition. We primarily handle clean materials composed of potable water and dirt. In cases involving contaminated material, we deliver the material to designated facilities equipped for proper processing and responsible management.

Badger manages risks associated with materials handling starting at initial customer contact by conducting a pre-job survey to assess the scope of work, site history, soil type and content, material disposition, and potential hazards. If materials beyond clean dirt and water are identified, the Sustainability, Health, and Safety Environmental Manager conducts an environmental risk assessment and provides proper handling and disposal guidance.

Advancing Our Disposition Process

We leverage a variety of processes and technological solutions to manage customer materials effectively, including:

Disposition Site Risk Management System: Badger evaluates customer and third-party disposition sites to maintain regulatory compliance and assess potential impacts of the site on local floodplains, wetlands, critical habitats, and flowing water sources. Vetted sites are entered into Badger’s system, ensuring only vetted locations are used by Badger operators. For unapproved sites, Badger follows a thorough evaluation process before approving them for material recycling.

Electronic Bill of Lading (BOL) Tool: In 2024, Badger implemented a fully digitized BOL system that provides detailed reports for every load of transported customer materials, outlining the composition, volume, location of origin, facility for disposition, and individuals responsible for the disposal of customer materials. Previously reliant on paper BOLs stored at individual branch locations, the new digitized system streamlines reporting, improves traceability, reduces manual effort, and enables efficient tracking of the number of loads to landfills versus clean-fill sites.

Air Compressor Supplementation: To drive utilization of our fleet while addressing customer requests for reusing excavated material, Badger has integrated air compressors into 4% of its Badger Hydrovac fleet. This technology enables a service that minimizes slurry handling, providing an alternative to our traditional hydrovac services.

“To be a good corporate citizen, we need to ensure all customer materials are handled with the necessary care and attention they require.”

—Leon Walsh
VP, Sustainability, Health, and Safety



Performance Overview

- » In the past three years, Badger has received zero substantive Notice of Violations related to non-compliance with all disposition and environmental permits, standards, or regulations.
- » In 2024, we successfully implemented electronic BOLs for all material disposition loads.

Looking Ahead

Throughout 2025, we plan to test water tank and debris tank radar technology and water flow meters for our excavation fleet to provide real-time data to validate quantities of water and materials within our debris tanks. By collecting and benchmarking this data, we aim to enhance our disclosure of volumes of water utilized and material handling volumes and develop data-driven initiatives to improve our progress in these areas.

SCOPE 1 AND 2 EMISSIONS

Advancing the ability to track, report, and reduce our carbon footprint.

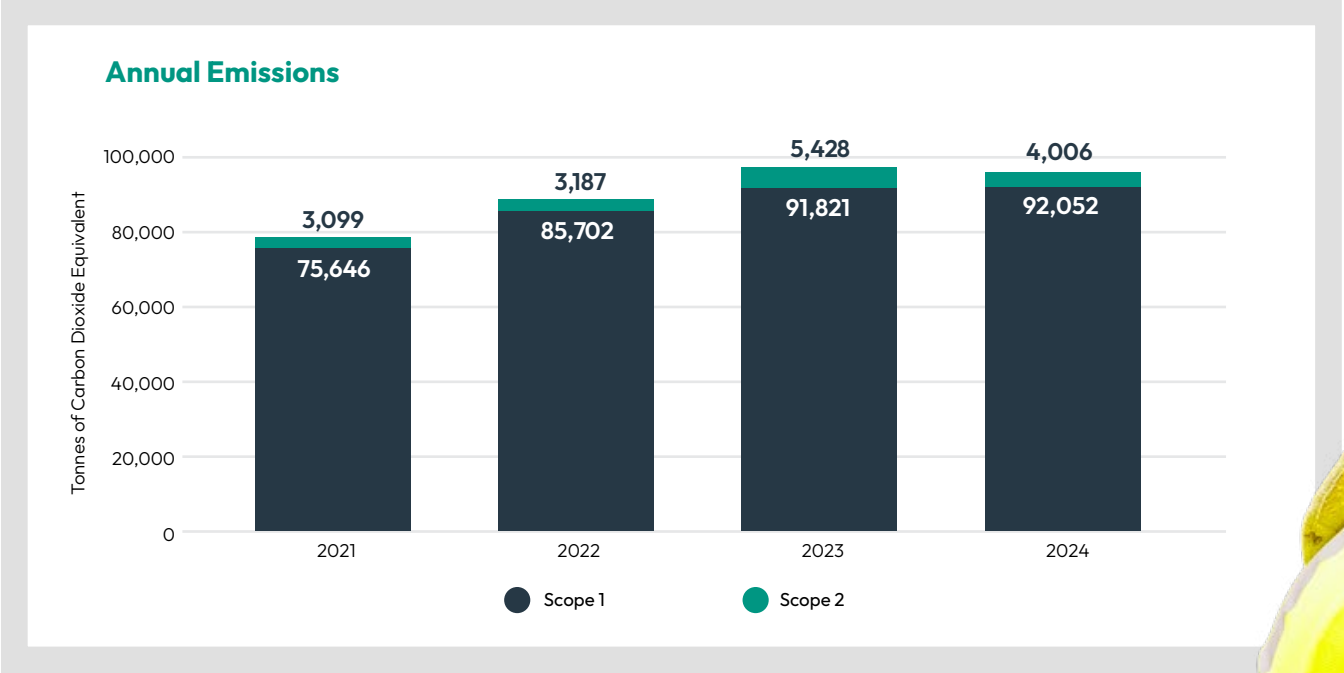
Our Approach to Managing Emissions

Evolving regulations, customer expectations, and transportation-related emissions limits present opportunities and challenges for Badger. As emissions reductions may increase in importance to our customers and become an influential component to securing capital, they also drive us to enhance efficiency and reduce our environmental impact. By moving to implement our approach to emissions management, we aim to strengthen our processes to monitor our carbon footprint and invest in innovative technology.

Decarbonization Initiatives: Progress and Challenges

Over the past two years, Badger has laid the foundation to track our Scope 1 and Scope 2 emissions footprint. By establishing a strong baseline, we can identify areas of focus and work towards meaningful reductions over time by pursuing and scaling new technologies across our fleet.

- Scope 1:** Direct emissions generated by our light-duty vehicles and heavy-duty excavation fleet, support equipment, and on-site natural gas combustion at facilities owned by Badger.
- Scope 2:** Indirect emissions associated with generating electricity and heat consumed by our corporate, branch, and manufacturing facilities.



To drive innovation, we explored integrating air compressors into select Badger Hydrovac units, testing alternative fuel engines, and evaluating higher-efficiency engine options. While these initiatives provided valuable insights, they did not result in measurable emissions reductions. After evaluating our initial airvac fleet prototypes we believe that running with aftermarket air compressors on existing units can largely provide the same or similar results.

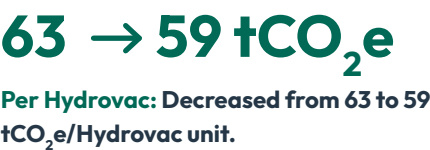
Throughout 2023/2024, Badger integrated hybrid and electric vehicles into our light-duty fleet. Currently, our fleet includes four hybrid pickup trucks (0.5% of light-duty vehicles) and 31 electric vehicles (4% of light-duty vehicles).





SCOPE 1 AND 2 EMISSIONS (CONT.)

From 2023 to 2024, Badgers emissions decreased on a per-revenue and per-number-of hydrovac basis.



Performance Overview

Badger has quantified its 2023 and 2024 Scope 1 and 2 GHG emissions, encompassing its operations across 140+ locations in the U.S. and Canada. The analysis revealed that 95% of Badger’s emissions footprint is due to fuel consumption across our light and commercial vehicle fleets. Fuel consumption increased from 2023 to 2024 related to increased fleet utilization tied to revenue growth, and 109 additional units in 2024 verses 2023 and 246 verses 2022. We also acknowledge that Scope 2 Emissions is lower in 2024 verses 2023 due to improved accruacey in utility consumption reporting from our manufacturing facilities. In our ongoing commitment to accurate reporting, we continue to refine our emissions inventory to incorporate the latest data and methodologies.

Looking Ahead

We are still in the early stages of our GHG reduction journey, and we are purchasing approximately 20 more hybrid vehicles for our light-duty fleet and exploring higher-efficiency engines for our excavation vehicles in 2026 and 2027. We are evaluating our GHG inventory annually, using data-driven insights to track progress over time; and relocating specific branch offices closer to the areas where our excavation vehicles are most frequently dispatched, optimizing travel distances.



SAFETY AND INTEGRITY

Keeping our operators and the communities we operate in safe.

Safety Is a Shared Responsibility

At Badger, safety extends beyond managing workplace hazards. We aim to build a culture of shared responsibility that empowers our people to proactively identify and mitigate risks every day. Our strong safety performance protects our people, communities, and customers, reinforces our reputation, supports regulatory compliance, and enhances operational excellence. By shifting from reactive compliance to proactive risk management, we strive to exceed customer expectations and set the standard to be the preferred non-destructive excavation provider.

In 2023/2024, we initiated and expanded upon several initiatives to enhance risk management, team member engagement, and overall safety performance.

“Make Safety Personal” Campaign: An annual initiative to encourage engagement and reinforce accountability in safety practices.

Stop Work Authority: A company-wide policy that empowers our people to halt unsafe operations without repercussions.

Pre-Planning of Work: Promoting collaboration between Sales and Marketing, Sustainability, Health, and Safety (SH&S), and Operations teams for job pre-planning, detailed job site evaluations, and strengthened safety protocols to support site safety.

Driving Safety and Injury Management: Expanded driving incident reporting and introduced a new injury management process, including first aid triage vendors, to support injury recovery and team member engagement.

Near-Miss Reporting: Refined the process to distinguish near misses from hazardous conditions, improving the reporting accuracy of leading indicators.

Technology and Data-Driven Safety: Invested in telematics, electronic job hazard assessments, digital BOL tracking, and branch compliance evaluations to improve efficiency and safety oversight.

Industry Leadership: Active membership in the Construction Safety Research Alliance (CSRA) and the Common Ground Alliance (CGA) to contribute to best practices in damage prevention and excavation safety.⁴



↑ 63%



The program expanded from 25,677 paper-based BBOs to 41,766 electronic entries, increasing employee participation and enhancing transparency, trend analysis, and proactive interventions during the period of this report.

↓ 48%



The DriveCam system has helped to reduce the number of driving behavior risks, vehicle incidents, and our associated vehicle incident rate by 48%.

Our Proactive, Behavior-Based Approach to Safety

Badger’s Behavior-Based Observation (BBO) program, launched in 2021, has transformed our safety culture by identifying and mitigating future risks through team member observations. The program expanded from approximately 6,000 paper-based BBOs in 2021, to 25,677 digital BBOs in 2023, to 41,766 at the end of 2024, increasing team member participation and enhancing transparency, trend analysis, and proactive interventions. Data from at risk behaviors is analyzed and communicated to leadership and team members through reports, safety meetings, and targeted initiatives.

DriveCam System

Badger implemented a DriveCam system in 2021 to monitor and improve team member driving behaviors within our 2,000 fleet vehicles. Using AI and machine learning, the system identifies at-risk driving behaviors, coaches drivers to expectations, and prompts targeted coaching and follow-up. Coaching time is tracked monthly and tied to field management and corporate compensation targets. Now installed in 100% of Badger’s light-duty and commercial vehicle fleet, the system has helped to reduce the number of driving behavior risks, vehicle incidents, and our associated vehicle incident rate by 48% from 0.60 incidents per 1,000,000 miles in 2022 to 0.31 in 2024.

⁴ The Common Ground Alliance acquired the Gold Shovel Association, now known as the Damage Prevention Institute (DPI). Badger reported attaining certification from DPI in its 2021/2022 ESG Report and remains accredited with the DPI.



SAFETY AND INTEGRITY (CONT.)

Investing in Operator Training and Development

Badger promotes training through a combination of technical skill development and mentorship programs to support safe and reliable operations and prepare our people for their roles and the next generation of operators.

Key Training Programs:

New Operator Training: New hires receive hands-on instructions on Badger’s operations, policies, procedures, and risk mitigation practices to be field-ready. Since 2019, 3,047 operators have completed the training, including 1,227 in 2023/2024.

Badger University Mentor Training: Top-performing team members are nominated to mentor new operators in the field for 60 to 90 days, strengthening workforce competency. In 2023/2024, 187 operators completed this program, amounting to 529 graduates since 2020.

Commercial Driver’s License (CDL) Program: Non-CDL team members are supported in earning a manual Class B CDL, equipping them with essential skills such as pre-trip inspections, safe commercial driving techniques, and career development opportunities. Since its launch in 2022, 68 operators have earned their CDL, including 41 in 2023/2024.

Badger Operator Leadership Training (BOLT): High-performing operators prepare for leadership roles with structured training to gain management skills within SH&S, Fleet, Sales and Marketing, and Operations. There were seven participants in the BOLT program in 2023/2024.

Health and Safety Governance and Oversight

The Sustainability, Health, and Safety (SH&S) Committee of the Board oversees senior leadership in defining our safety culture, setting expectations, leading initiatives, and reviewing serious incidents. Senior leadership drives our safety culture, with Regional Vice Presidents (RVPs) setting expectations and leading initiatives throughout their operations. Meeting monthly, the RVPs and the SH&S Committee discuss, refine, and implement safety initiatives, programs, or processes. Some local branches maintain safety committees, either as a regulatory requirement or proactively, to conduct emergency drills, review incidents, and share best practices.

Performance Overview

Within the past two years, Badger achieved its best overall health and safety performance in the company’s history.⁵

- » **Total Recordable Incident Rate (TRIR):** 0.82 incidents per 200,000 exposure hours.
- » **Vehicle Incident Rate (VIR):** 0.31 incidents per 1,000,000 miles.⁶
- » **Driver Coaching Closure Rate:** An average of 2.45 days for team members to complete follow-up telematics coaching requirements.
- » **Behavior Based Observations (BBOs):** Completed 41,766 BBOs.



2024 Highlights



Looking Ahead

- Badger embraces continuous improvement to enhance safety performance and accountability. With support from the Board, we will continue refining our approach by:
- » evaluating leading indicators to ensure key performance metrics drive measurable progress;
 - » advancing target setting to monitor progress and reinforce accountability;
 - » launching an incident management system in 2025 to enhance reporting, tracking, and analysis of safety incidents; and
 - » promoting positive engagement with BBOs and reinforcing the importance of identifying at-risk behaviors.

⁵ Badger’s safety performance metrics do not include contractors and operating partners or their exposure hours.
⁶ VIR is calculated based upon Badger’s Federal Motor Carrier Safety Administration profile.



RESPECT AND OPPORTUNITY

Building an inclusive and diverse workforce.

Badger is committed to cultivating a workforce that reflects the communities where we live, work, and serve. We strive to foster a culture where individual differences are welcomed and respected. Our workforce should not only mirror the diversity of our surroundings, but also embody the values and lived experiences of the communities we support.

When we speak of diversity, we recognize the broad spectrum of human attributes—such as race, ethnicity, gender, age, ability, beliefs, experience, and sexual orientation—that contribute to a strong and resilient organization.

Creating a respectful and inclusive workplace remains a priority for Badger. We continue to advance initiatives focused on how we recruit, govern, and measure progress to ensure all employees feel supported and valued throughout their careers.

Recruitment

Our efforts are centered on fostering an inclusive workplace that attracts, supports, and retains a qualified talent pool with a range of perspectives and experiences. We ensure that job postings are inclusive, focusing on essential role information while removing biased language with the help of a gender decoder tool. Through targeted programs, partnerships, and outreach, we continue to strengthen our workforce and create opportunities across key talent groups.



Women: To attract and develop women leaders, we plan to continue collaborating with Women Building Futures (WBF), an organization dedicated to equipping women with trade skills. In 2024, more than 30% of female hires were placed in operator roles.



Military: For the duration of this report, we have proudly held the title of Military Friendly Employer, a prestigious certification that attracts military personnel, veterans, and military spouses in key market areas. We are especially honored to have been named a Top 10 Military Friendly Spouse Employer in 2024. Additionally, Badger maintains partnerships with social media network RallyPoint and RecruitMilitary, participating in 13 hiring events to attract military personnel, veterans, and their spouses. In 2023/2024, 8% of our U.S. hires self-disclosed as veterans.



Students: We actively participate in high school, college, and university career fairs across North America, engaging a diverse pool of candidates to meet our talent needs. We also launched a summer internship program, providing hands-on industry experience and a pathway to full-time employment. Additionally, our Co-Op positions at the Red Deer manufacturing plant provide practical industry experience in a dynamic setting.

Training and Development

We are committed to investing in training programs that foster a safe, inclusive, and respectful work environment. These training sessions cover essential topics such as inclusive practices, harassment prevention, workplace safety, and awareness around forced and child labor, equipping our team members with the knowledge and skills to recognize and address these issues.

In 2024, we featured the Educational Trailer at our Annual Meeting, simulating a trucking experience and training team members on bias reduction.

Badger also supports team members' involvement in local National Association of Women in Construction (NAWIC) chapters, leading to some team members even being elected for Board service. We proudly sponsor the NAWIC Annual Conference, the Women In Trucking Association Annual Conference, and the Axis Connects Calgary Influential Women In Business Awards. Additionally in 2023, we sent select top-performing female leaders to the Echelon Front Women's Assembly for a week of training on leadership topics unique to women.

We also continue to invest in leadership development, mentorship opportunities, networking events, and specialized training programs that empower women to advance in their careers while contributing to Badger's success.

Policies

Badger's Employment Equity and Diversity Policy sets clear expectations for maintaining an inclusive, respectful, and fair environment.

Our Whistleblower Policy and ConfidenceLine™ Ethics Reporting System provides a confidential, 24/7 service enabling our people and the public to anonymously report concerns or wrongdoings.

>30%

More than 30% of female hires were placed in operator roles in 2023-2024.



Percentage of Badger’s U.S. workforce self-disclose as belonging to a racial or ethnic minority:

20%→30%→32%
(2022) (2023) (2024)



RESPECT AND OPPORTUNITY (CONT.)

Enhancing Data-Driven Feedback Mechanisms

Our Human Resources team collects team member data and feedback to assess and improve team member experiences. By leveraging data-driven insights, we’re able to refine workplace strategies to enhance team member satisfaction, engagement, and career growth opportunities.

Engagement Surveys: We conduct annual employee engagement and regular pulse surveys to gather feedback and proactively address emerging workplace concerns.

New-Hire Feedback: We introduced structured surveys at 30, 60, 90, and 180 days to assess onboarding experiences and workplace inclusion.

Career Progression Metrics: We developed a system to monitor career progression trends and identify and remove barriers to advancement, ensuring equitable growth opportunities for all.

Pay Equity Audits: We evaluate compensation to ensure fairness across our workforce.

Self-Disclosure Platforms: We upgraded our tools to provide accessible, user-friendly, and secure methods for workforce data collection.

Monthly Demographic Monitoring: We analyze voluntary, self-disclosed demographic data to assess the impact of recruitment initiatives and track our progress in broadening our talent pool.

Performance Overview

Accolades

2023

» Military Friendly® Employer Gold Top 10.

2024

» Military Spouse Friendly® Top 10 Employer.
» Military Friendly® Employer Gold.



Metrics

- » 30% of Badger’s U.S. workforce self-disclose as belonging to a racial or ethnic minority as of the end of 2023 and 32% at the end of 2024.⁷
- » 15% of U.S. people leaders at the manager level or above self-disclose as belonging to a racial or ethnic minority.
- » 10% of Badger’s North American workforce for 2023/2024 identifies as female.

Looking Ahead

Advancing an inclusive culture at Badger requires long-term dedication and focus. Externally, we aim to broaden our talent pipeline through merit-based hiring that reflects the communities where we live and work. Internally, we are strengthening our governance, training, and feedback processes to solidify Badger as an employer that values and respects the needs of all employees. Over the next two years, we aspire to expand our engagement through regional events and industry partnerships, including the NAWIC.

⁷Self-disclosed ethnic data is not requested from Badger’s Canadian workforce in order to comply with the Canadian Human Rights Act.



RESPECT AND OPPORTUNITY (CONT.)

Advancing Indigenous relations at Badger.

Acknowledgment

We operate within treaty lands and traditional territories of Indigenous people and acknowledge the legal, constitutional, and treaty rights of Indigenous peoples in Canada and the U.S.

Badger's Approach to Indigenous Relations

We believe in building positive and mutually beneficial relationships with Indigenous peoples, leadership, communities, and businesses. These relationships are based on mutual trust, respect, and transparency with the result of achieving common goals, such as creating opportunities that strengthen Indigenous autonomy and benefit community members.

Indigenous Strategy Committee: Established in 2023, this senior leadership-led, cross functional committee assists Badger in carrying out its Indigenous Relations Strategic Plan, the purpose of which is to create business opportunities and minimize risk through relationships with Indigenous communities, and to build capacity and economically benefit in the communities in which Badger operates. This committee is also overseeing Badger's pursuit of the Partnership Accreditation in Indigenous Relations (PAIR) certification offered by the Canadian Council for Indigenous Business (CCIB), a three-year program designed to enhance corporate performance in Indigenous relations in leadership actions, employment, business development and community relationships.

Indigenous Business, Employment, and Community

Engagement: In 2023/2024, Badger participated in eight hiring events and cultural celebrations with the objective of strengthening Indigenous representation and talent within our workforce and deepening our cultural understanding, and Badger established or re-affirmed 11 collaborations with Indigenous communities and businesses with the objective of fostering economic growth and sustainability.

Looking Ahead

Badger is committed to being a respectful and inclusive partner to local Indigenous communities, and will continue to focus on supporting Indigenous-owned businesses in our service delivery and procurement processes.



11 collaborations established or re-affirmed with Indigenous communities and businesses in 2023/2024.





GOVERNANCE AND RISK MANAGEMENT

Strong Governance Guides Our ESG Journey

We have established several governance mechanisms to oversee the various risks and opportunities associated with environmental stewardship, social responsibility, and safety. Some of these levers include ESG-linked compensation, integration of our ESG and risk management strategy, and the policies developed to protect our employees, investors, communities, and the environment.

This collection of processes, policies, and procedures underpin the governance of our ESG strategy. Over the next two years, we plan to implement a unified ESG policy that will strengthen accountability, align stakeholder expectations, and reinforce our commitment to sustainability.

Within our governance framework, we emphasize two core elements of good governance: building accountability through outcome-based team member compensation and progressing our ESG imperatives through our enterprise risk management framework.

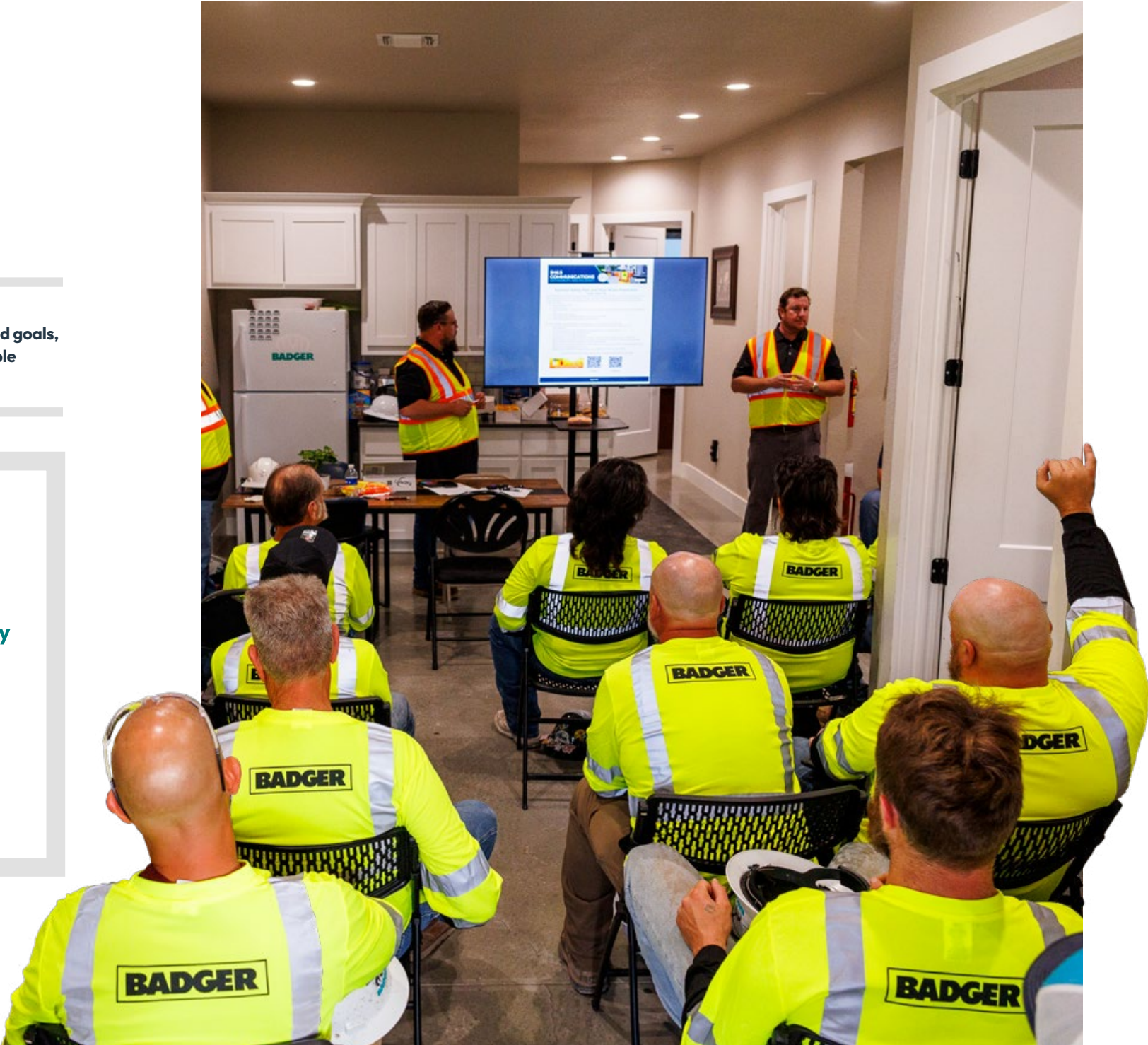
Accountability Through ESG-Linked Compensation

Incentive programs for senior leadership, general managers, and branch managers include both leading and lagging ESG-linked targets.

25% of senior leadership's annual short-term incentives are directly tied to ESG-related goals, reinforcing our commitment to sustainable health and safety business practices.

“Building a strong foundation of good governance is essential for advancing sustainability at Badger. Our comprehensive ESG policy ensures that we consistently and continuously assess risks and opportunities related to critical ESG imperatives.”

—Robert Blackadar
President and Chief Executive Officer





GOVERNANCE AND RISK MANAGEMENT (CONT.)

Enterprise Risk Management

Badger's Enterprise Risk Management (ERM) framework integrates ESG risks, such as labor practices, environmental regulatory compliance, and incidents impacting the public and environment, into its broader risk landscape, where they are increasingly recognized as material financial and operational considerations requiring proactive management.

ESG risks are identified, monitored, and mitigated under our Senior Leadership Team (SLT), and, where possible, quantified through a risk assessment process that evaluates likelihood and potential impact. The senior leadership team prioritizes risks and determines whether additional mitigation actions are required.

Examples of risks contemplated under our ERM framework include the following:

Operational Risk: Badger's manufacturing facility has in-plant leadership focused daily on team member and environmental compliance and stewardship. Before servicing our customers, our pre-job risk assessment includes environmental pre-planning, material hazard classification, and approved disposal processes. Our electronic BOL allows us to track disposition material locations for both clean and contaminated materials. All suppliers must comply with legal and regulatory standards and disclose their diversity classification. Additionally, Badger is in the process of incorporating further supplier evaluation criteria to strengthen our efforts against forced labor in our supply chain.

Personnel Risk: Daily electronic hazard assessments, stop-work authority, and structured incident reporting enhance operational risk controls. Serious incidents are reviewed by senior leadership and reported quarterly to the Board. In Badger's 2024 enterprise risk assessment, key risks identified included recruitment and retention, training and development, and cultural misalignment with company values. The Human Resources Department oversees this risk, with ongoing evaluation to monitor and adapt strategies accordingly.

Climate Risk: To maintain resilience in an evolving climate landscape, Badger actively monitors physical climate risks and strategically relocates our fleet to minimize disruptions. Our Hydrovac units play a crucial role in post-disaster cleanup and recovery efforts following extreme weather events.

Cybersecurity Risk: Badger prioritizes cybersecurity to safeguard confidential information and protect our team members, customers, and investors from threats such as data breaches and unauthorized access to personally identifiable information.

Badger's cybersecurity and IT risk management approach is guided by the U.S. National Institute of Standards and Technology framework, which provides best practices for identifying, preventing, and mitigating cyber-threats. Our core applications are 100% cloud-based, leveraging industry-leading services for disaster recovery, vulnerability management, and incident detection to enhance security and resilience.



Badger will continue to evaluate and enhance its cybersecurity strategy and report on KPIs to illustrate our performance against cybersecurity initiatives.

Throughout 2023/2024, we have strengthened our cybersecurity infrastructure by implementing advanced automated threat detection and prevention technologies to improve efficiency, reduce human error, and accelerate response times to potential threats.

 GOVERNANCE AND RISK MANAGEMENT (CONT.)

Badger’s Board plays a key role in ESG oversight.

Board Governance

The Board is responsible for the stewardship of Badger’s business affairs and overseeing the development of corporate strategy, including the incorporation of ESG initiatives.

There are four standing committees, each with oversight responsibility for ESG matters, with the Board having ultimate authority. Each committee’s mandate outlines its respective roles and responsibilities in managing specific ESG risks, opportunities, and targets.

Committees

Sustainability, Health, and Safety (SH&S) Committee

- » Oversees the development, monitoring, and implementation of systems, programs, and initiatives for managing health, safety, environment, sustainability, and climate-related risks.
- » Reviews ESG reporting trends, practices, and input from the other Board committees.
- » Recommends SH&S-related metrics for inclusion in the company’s annual bonus program to the Human Resources and Compensation (HR&C) Committee.
- » Reviews and makes recommendations regarding ESG initiatives and disclosures.

Human Resources and Compensation (HR&C) Committee

- » Oversees executive compensation, succession planning, and initiatives that foster an inclusive workplace.
- » Recommends to the Board short- and long-term incentive program metrics, targets, and weightings.
- » Evaluates senior leadership composition.
- » Considers and makes recommendations regarding ESG trends within areas of its mandate.

Nominating and Governance (N&G) Committee

- » Evaluates Board composition and effectiveness.
- » Recommends the appointment of new directors to the Board
- » Considers and makes recommendations regarding ESG trends within areas of its mandate.

Audit Committee

- » Oversees development of IT Risk Management Strategy.
- » Considers and makes recommendations regarding ESG trends within areas of its mandate.
- » Considers concerns raised pursuant to the company’s Whistleblower Policy.



Board Composition

The Board is comprised of 10 directors, all of which are independent, except for the President and CEO. Badger reaffirmed its commitment to 30% female representation on its Board. Badger also set a new commitment to appoint at minimum one racially or ethnically diverse candidate prior to its 2026 annual meeting of shareholders. This goal was achieved ahead of schedule with the appointment of a new director, effective January 1, 2025.

Board of Directors



Board Training and Development

In 2024, the Board held two educational events, hosting guest speakers on Indigenous relations in Canada and environmental stewardship and compliance, highlighting the impact of climate change on groundwater contamination. All directors were in attendance, and the presentation supported the enrichment of the Board’s understanding of these current issues.

ESG Policies

Badger is committed to high standards of corporate governance and routinely reviews and updates its practices against changing regulations, evolving policies, and best practices. The Board has approved various ESG-related policies, including:

- » Code of Conduct (Canada)
- » Code of Conduct (U.S.)
- » Employment Equity and Diversity Policy
- » Whistleblower Policy
- » Insider Trading Policy
- » Anti-Discrimination and Anti-Harassment Policy
- » Adopting Fair Competition and Anti-Trust Policy

Measuring Success

- Badger continually monitors and improves its governance performance by evaluating progress against the following:
- » The composition and expertise of the Board and senior leadership.
 - » Board and team member compliance with Badger’s policies and standards.



See Badger’s comprehensive committee mandates within our [governance documents](#).

LOOKING AHEAD

How we are targeting our future progress.

As we progress along our ESG journey, we continuously seek opportunities to improve our performance and disclosure. Investments in technology and data monitoring will provide deeper insights into our operational impacts, including water usage, emissions, and material management, while also strengthening our safety and integrity programs, tracking progress on culture and inclusion initiatives, and reinforcing accountability.

Transforming our operations to align with our ESG ambitions will require a long-term commitment and incremental improvements to achieve noticeable returns. While the journey may take time, we are committed to meaningful progress.

“Badger always strives to be the industry leader. By continuously improving execution on our ESG strategies, we will further solidify our market position.”

—Robert Blackadar
President and Chief Executive Officer

To further our ESG ambition and improve overall performance, Badger has established a series of aspirations that we will continue to progress over the next two years, including:



Leveraging our BOL tool and explore radar technology to improve customer material data tracking, disclosure, and recycling efforts.

Benchmarking our water usage and exploring radar and water meter technology to provide detailed insights into job-specific water consumption.

Utilizing air compressors for excavation when viable.

Maintaining compliance with all relevant water and environmental permits, standards, and regulations in North America (i.e., no substantive Notice for Violations).



Striving to broaden opportunities for individuals of all backgrounds, identities, and experiences.

Bolstering our commitment to fairness and inclusion by providing ongoing training, mentorship programs, and strategic partnerships that cultivate a more inclusive and welcoming workplace.

Strengthening our commitment to Indigenous reconciliation by updating Indigenous policies and promoting cultural awareness.



Incorporating elements of the International Financial Reporting Standards (IFRS) Scope 1 and Scope 2 emissions into our ESG strategy and disclosure to adopt best practices.



CAUTIONARY STATEMENT REGARDING FORWARD-LOOKING INFORMATION

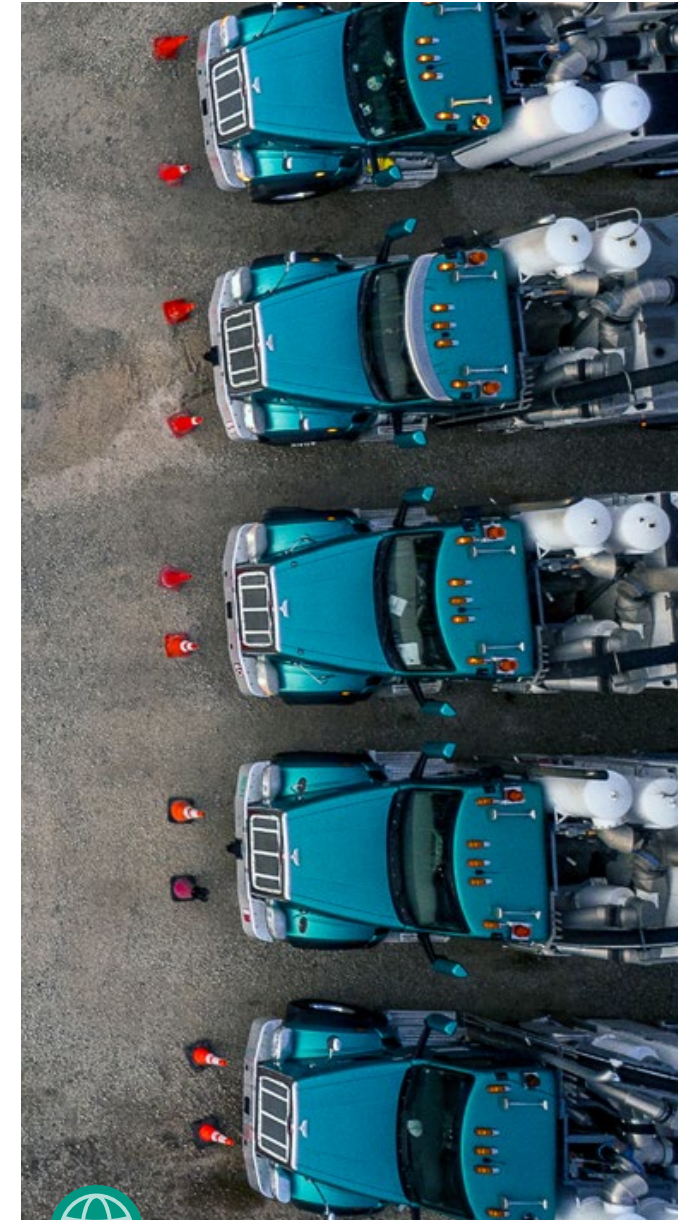
Certain statements and information contained in this report, including statements and information that contain words such as “could,” “should,” “can,” “anticipate,” “expect,” “believe,” “hope,” “will,” “may,” “continue,” “target,” “goal,” “focus,” “commit,” “aspire,” “plan,” “pursue,” “proposed,” “priorities,” and other similar expressions relating to matters that are not historical facts, constitute “forward-looking information” within the meaning of applicable Canadian securities legislation. Forward-looking information in this report includes but is not limited to: aspirations regarding ongoing publication of this ESG report; the effectiveness of Badger’s ESG approach and its ability to advance same; plans regarding optimizing water usage; the impact of prioritizing ESG initiatives on Badger’s long-term growth; expectations regarding the impact of the Badger Airvac fleet on Badger’s ongoing operations; expectations regarding the impact of the Badger Airvac fleet and BOL tool on its water stewardship and carbon emissions goals; plans relating to the reduction of emissions and decarbonization; the maintenance of compliance with water and environmental permits; expectations regarding improvements to data collection and reporting processes; Badger’s long-term talent and inclusion ambitions; future priorities regarding the improvement of Indigenous relations; expectations regarding enhanced information technology and cybersecurity measures; aspirations disclosed under the heading “Looking Forward”; and plans regarding future ESG policies, objectives, and targets.

All forward-looking statements and information are based on beliefs and assumptions made by Badger using information available at the time the assumption was made. The assumptions used to generate the forward-looking statements and information contained in this report include, among other things: Badger’s ability to continue to implement, and the success of, Badger’s ESG programs, practices, initiatives, and plans; the timing thereof and the impact on Badger achieving its goals relating thereto; Badger’s ability to maintain or improve the sustainability of its operations; the availability of the capital, labour, and services required to successfully implement the ESG programs; and the cost to implement and maintain Badger’s ESG programs, practices, initiatives, and plans.

The company believes the expectations reflected in such forward-looking statements and information are reasonable, but no assurance can be given that these expectations will prove to be correct. Therefore, the forward-looking statements and information contained in this report should not be unduly relied upon. These forward-looking statements and information, including those regarding our ESG initiatives, involve known and unknown risks, uncertainties, and other factors, many of which are beyond our control, that may cause actual results or events to differ materially from those anticipated in such forward-looking statements and information. Such risks and uncertainties include or relate to, among other things: general economic, market, and business

conditions; customer demand; competition; legislative and/or regulatory developments; cybersecurity threats; reliance on technology; climate change; severe weather or natural disasters; fluctuations in currency and interest rates; inflation; supply chain issues; pandemics such as COVID-19; access to labour; and global recessionary risk.

Additional information relating to risks and other important factors that could cause actual results to differ, possibly materially, from expectations reflected in such forward-looking statements and information can be found in the section titled “Risk Factors” in the Company’s Annual Information Form for the year ended December 31, 2023, which is available through SEDAR at www.sedar.com. Forward-looking statements and information included in this report are made only as of the date of this report. The company does not undertake any obligation to publicly update or revise any forward-looking statements or information, whether as a result of new information, future events, or otherwise, except as may be required by applicable securities laws. The forward-looking statements and information contained in this document are expressly qualified by this cautionary statement.



CONTACT INFORMATION:

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SASB INDEX

Topic	Metric	Unit	SASB Code	2022	2023	2024
Activity Metrics	Hydrovac units	Number	IF-WM-000.B	1,387	1,534	1,643
Emissions	Gross Scope 1 Emissions	CO ₂ e (tonnes)	RT-CH-110a.1 IF-WM-110a.1	85,702	91,821	92,052
	Gross Scope 2 Emissions (Location-based)	CO ₂ e (tonnes)	IF-WM-110a.1	3,187	5,428	4,006
	Gross Scope 2 Emissions (Market-based)	CO ₂ e (tonnes)		3,128	5,562	3,980
	Gross Total Scope 1 and 2 (Location-based) Emmissions	CO ₂ e (tonnes)		88,889	97,249	96,058
	Emissions Intensity (Revenue)*	CO ₂ e (tonnes)/million USD	N/A	155.7	142.2	128.9
	Emissions Intensity (Per Hydrovac)**	CO ₂ e (tonnes)/Hydrovac unit		64.1	63.4	58.5
Fleet Fuel Management	Fleet fuel consumed	Gigajoules (GJ)	IF-WM-110b.1	1,164,033	1,289,363	1,294,235
Energy	Total energy consumed	Gigajoules (GJ)	RT-CH-130a.1	NR	75,966	64,732
	Percentage of grid electricity consumed	Percent (%)		100%	100%	100%
Water Management	Number of incidents of non-compliance associated with water quality permits, standards, and regulations	Number	RT-CH-140a.2	0	0	0
Workforce Health and Safety	Total recordable incident rate (TRIR) for direct employees	Rate (incidents/200,000 hours)	RT-CH-320a.1 IF-EN-320a.1	1.36	0.91	0.82
	Fatality rate for direct employees	Rate		0	0	0
	Vehicle incident rate (VIR)	Rate (incidents/1,000,000 miles)	N/A	0.60	0.33	0.31
Workforce Demographics	Female ¹	Percent (%)	N/A	11%	10%	10%
	Racial or ethnic minority ²	Percent (%)		20%	30%	32%
	Management level or higher belonging to a racial or ethnic minority ³	Percent (%)		10%	16%	15%
Environmental Impacts of Project Development	Number of incidents of non-compliance with environmental permits, standards, and regulations	Number	IF-EN-160a.1	0	0	0

¹ Female representation is for Badger's North American workforce; ² U.S. workforce; ³ U.S. workforce

*744.952 million USD Revenue; **1,643 Hydrovacs at end of 2024