

### CC

At Linamar, we take great pride in being a diversified manufacturer. Our products power vehicles, work, motion, and lives, and our capabilities allow us to maximize each opportunity. Our thinking is shaped by a simple phrase: Powering Futures. We envision a sustainable future for our environment, people, suppliers, customers and communities.

Within our company, the Stepping Stool is the foundation of our culture of Performance, Respect, Balance, and Care; just some of the key qualities which drive our environmental, social, and governance responsibilities. ESG issues have always been a priority at Linamar, and this report is evidence of our journey to communicate and disclose our processes and beliefs in a clear, concise, and structured format.

We believe in the caring and well-being of our employees and the communities in which we live and operate. Together, we have the opportunity to make a difference, to instill change, to educate, and to motivate.

Together, we are Powering Sustainable Futures.



# **Table of Contents**

Sustainability at Linamar	4
Linamar Long Term Sustainability	5
Company Overview	6
Stepping Stool	7
Vision 2100	9
Sustainable Development Goals	11
Digitization with AI/ML	14
Sustainability Governance	15
Ethical Governence	16
Whistleblower Program	16
EthicsPoint	
Competitive Behaviour	16
Enterprise Ethics	
Data and Cyber Security	
Privacy	17
Enterprise Cybersecurity	17
Environmental Management	19
SASB Statement	
Climate-Related Oppertunities	20
Resource Efficiency	20
Energy Sources	
Products & Markets	
Resilience	
Environmental Risks	
Public Health Threats	
Competition, Outsourcing, and Incourcing	
Sources & Availability of Raw Material	
<b>Labour Markets and Depedance on Key Personnel.</b>	
Dependance on Certain Customers	
Technological Change and Product Launches	23
Foreign Business Risk	
Legal Proceedings	23
Weather	24
Tax Laws	24
Securities, Laws, Compliance, and Coporate	
Governence Standards	
Environmental Matters	24
Mitigration	24

Environmental Performance	∠
Environmental Management System	2
Carbon Emissions	2
Lean Culture	2
Waste	2
Energy	2
Environmental Remediation	
Product Sustainability	
Maximizing Linamar's Electrification Oppertunity	
Human Rights	
Supply Chain Sustainability	2
Social Responsibility & Diversity	
Advancement of Women in Business	
See it Be it STEM it	
Global Diversity Counsil	
Occupational Health & Safety	
Education & Development	
Career Development Programs	
Co-op	
Apprenticeships	
Employee Career Development	
Linamar Entrepreneurial Advancement Program	
Linamar Leadership Development Program	
Linamar Advanced Manufacturing Program	
Each One, Teach One	
Scholarships	
Univerity of Guelph - Engineering	
Conestoga College - Industrial Skilled Trades	3
University of Western - for Women in Enginering &	
Business	
Wilfred Laurier Univerity - Accounting	
Healthcare	
Community Involvement	
Appendix	
Forward Looking Statement	4



# **Sustainability at Linamar**

"At Linamar, we work together to ensure our operations conserve and protect while our current and future products aim to positively impact the environment."

#### Linda Hasenfratz, CEO

Linamar has a strong commitment to Sustainability and continues making great progress. In 2021, we made significant strides in elevating awareness of our Sustainability efforts including the establishment of a Sustainability Council, publication of our first-ever Sustainability Report, and made a public commitment to become Net Zero in our products and our supply chain. We also established a Diversity Council and made commitments to promote Diversity, Equity, and Inclusion including the Black North Pledge and the 50-30 challenge.

All of our manufacturing facilities are encouraged to achieve and maintain registration to ISO 14001, a global environmental management system. We will continue to pursue initiatives throughout our global facilities to reduce the overall consumption of energy, water, and natural resources, and minimize our ecological footprint.

The communities in which we operate are also a priority for Linamar. Our industry and our people have acutely felt the impact of the COVID pandemic. We responded rapidly from the onset by partnering to produce ventilators that were desperately needed to support the Canadian healthcare system in 2020. Our support continued with amplifying vaccination efforts throughout 2021 through the highly efficient Linamar Vaccination Clinic

The Linamar Green Commitment is what our official corporate Environmental Policy Statement is called. It was first established in 2010. It mandates our global facilities certify to the international recognized ISO14000 environmental standard, encourages energy conservation and reduced consumption of natural resources overall within each facility and outlines our commitment to develop environmentally friendly products for the future. Our Environmental Management Program draws on the elements of Care and Respect of our Stepping Stool culture to ensure we are developing innovative Green Technologies for our customers, meeting or exceeding applicable legal requirements and seeking to minimize our ecological footprint wherever possible.

where nearly 60,000 vaccinations were administered.

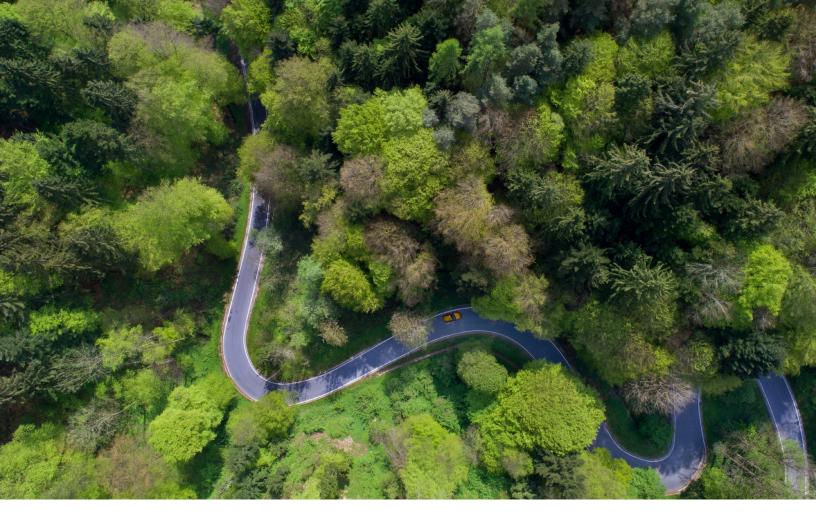
Moving into 2022 we have prioritized data collection as a key step to establishing a baseline of operations. We are calling 2022 the Year of Data and making this step a key priority of the Company. As a global, diversified manufacturer with 60 facilities in 17 countries, data collection is no simple task, but we are focused to gather and report data that is of high integrity and high usefulness.

We remain committed to developing environmentally beneficial products and processes as a key element in our company's future. The pursuit of innovative technology unites many of our core competencies of research and development, innovation, and ingenuity, and has a tremendously positive impact on the environment and our communities.

At Linamar, we work together to ensure our operations conserve and protect while our current and future products aim to positively impact the environment.

This is our commitment to a sustainable future.





# **Linamar Long Term Sustainability**

We commit to being a net zero emissions organization inclusive of the operation of our facilities, our supply base and the products we supply to by 2050.

#### Why?

- 1. What we do today determines the future of our planet.
- 2. The future of our planet matters to us; it also matters to our Employees, our Customers, and our Shareholders.
- 3. Addressing environmental challenges is a global imperative which will create a massive market opportunity for those with the solutions.

#### **Our Principles**

- 1. Environmental Sustainability needs to be something every one of us commits to we each play a part in this large connected puzzle, what each of us does matters and counts.
- 2. What we do impacts others we need to lead by example by doing what we do better for the benefit of all our stakeholders.
- 3. Find balanced solutions that optimize impact on the environment as well as our Employees, our Customers, and our Financial performance.



# **Company Overview**

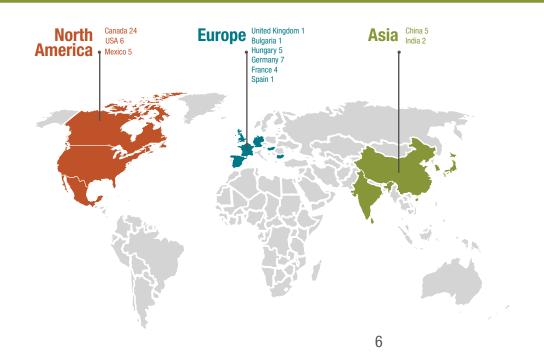
Linamar Corporation (TSX:LNR) is an advanced manufacturing company where the intersection of leading edge technology and deep manufacturing expertise is creating solutions that power vehicles, motion, work and lives for the future.

The Company is made up of two operating segments – the Industrial segment and the Mobility segment, both global leaders in manufacturing solutions and world-class developers of highly engineered products. The Industrial segment is comprised of Skyjack and MacDon. Skyjack manufactures scissor, boom, and telehandler lifts for the aerial work platform industry. MacDon manufactures combine draper headers and self-propelled windrowers for the agricultural harvesting industry. The Mobility segment is subdivided into three regional groups: North America, Europe, and Asia Pacific. Within the Mobility segment, the regional groups are vertically integrated operations combining expertise in light metal casting, forging, machining, and assembly for

both the global electrified and traditionally powered vehicle markets. The Mobility segment products are focused on both components and systems for new energy powertrains, body and chassis, driveline, engine and transmission systems of these vehicles. In addition to the eLIN Product Solutions Group that focuses on Electrification, McLaren Engineering provides design, development, and testing services for the Mobility segment. Linamar's recently announced medical solutions group, Linamar MedTech, focuses on manufacturing solutions for Medical Devices and Precision Medical Components. For more information about Linamar Corporation and its industry-leading products and services, visit www.linamar.com or follow us on our social media channels.

### **Key Facts**

Headquarters in Guelph, Ontario with over 55+ years in business



26,000

**Employees Worldwide** 

\$6.5 Billion

2021 Sales (CAD)

**60** 

**Facilities Worldwide** 

25

**Sales Facilities** 

12

**R&D Centres** 

**17** 

**Countries** 



# **Stepping Stool**

At Linamar, we have established a culture that thrives on opportunity to drive the overall growth and results of our company, and an entrepreneurial spirit of success.

At the core of Linamar's business philosophy is the Stepping Stool, a three-legged stool which symbolizes the balance a business must strike to satisfy the needs of key stakeholders. Each leg represents one of our stakeholders; Customer, Employee, and Shareholder (Financial), who each have a personal connection and interest in the company's long-term success. If all are not in balance at once, the three-legged stool is unstable and will eventually fall over. It is essential that our decision makers place equal importance on all three legs to ensure long-term sustainable success for Linamar.



These aren't just words on a wall. This is how we run our business every day. It is how we make decisions daily, how we articulate strategy, how we measure performance and how we reward our people.

All Linamar facilities and employees have monthly Stepping Stool Objectives under each leg, which form Linamar's Stepping Stool bonus incentive program. These programs use a balanced scorecard approach which ensures our stakeholders' interests are equally prioritized. Employees are eligible for quarterly bonuses based on performance under the stepping stool program.



### 1. Customer

To be the **Supplier of Choice** for our customers. We place a strong focus on quality, collaboration, the efficiency of our processes, and innovation to stimulate consistent and sustained growth. We design and implement strategies that allow us to focus on what matters most to customers — creating high-quality products that stand the test of time. Our customers, and their customers, care about the environmental footprint of the products they make and use. Focusing on ways to help customers reduce the environmental impact of the manufacturing and use of those products helps us to win more business. By doing so, we can bolster our current market engagements while working to further expand our long-term strategies into new and emerging markets, allowing us to offer our products to more customers for the expansive applications our industries demand.



# **2.**

### 2. Employee

To be the **Employer of Choice** for our current and prospective employees, we take pride in engaging a diverse group of motivated, enthusiastic people to help us accomplish our growth goals. We believe that healthy and safe workplace environments are critical to our people and to our performance. Also critical is investing in our people — coaching and developing our talent for the future; it's why we are able to maintain our commitment of having a minimum of 70% of key position promotions come from directly within the organization.

Our commitment to improving the world around us matters to our people as well. They want to know they are making a difference, that what we make and how we make it are doing something positive for the world.

A part of being the Employer of Choice also means giving back to the communities we operate in. Through many initiatives, we continue to make a tangible difference in each of our global communities, from supporting healthcare in many ways, to arts and culture, education and sport. Like our philosophy to run a balanced business our philanthropy also reflects a balance of investment, now in mind, body and soul.



### **3. Financial**

Being the **Investment of Choice** means making lean financial decisions in order to provide a consistent and sustainable return on investment to our shareholders with growth in profits. That is why at Linamar we are continuously in search of innovative solutions to meet the world's needs while also working to minimize waste to help maximize returns.

Sustainability and shareholder return work in lock step. Using less energy and water in our processing saves the planet and saves money as well! Developing products that improve environmental impact wins business and also drives shareholder returns.

We know sustainability matters to our shareholders; it matters to us too. We are proud of what we are doing in our business for our people, our environment and our communities; we are thrilled our shareholders want that too!

The Stepping Stool Strategy drives our focus on decision-making and management practices that provide the most benefit to all our key stakeholders and operational performance across the entire global organization.



# **Vision 2100**

Today, Linamar is a major player in three markets: Mobility, Infrastructure, and Food/Agriculture. We envision a future where we continue to be competitive and diversify into six strategic markets. It is a 100 year plan, geared to a changing world with a vision for continued, long-term sustainable growth. This is a vision meant to drive a positive impact for all the Linamar stakeholders.



### **Mobility**

Linamar has a strong history of providing efficient mobility solutions; precision manufactured metallic components and systems including machining, light metal casting, forging, and assembly to the automotive and commercial transportation industries. Driving more fuel-efficient solutions has been the primary driving force from a design and development perspective for the last decade. We are steadily growing our revenue in electrified vehicles; New business wins have steadily been shifting toward electrified vehicles. More than a quarter of Linamar's 2021 new business wins were electrified and represented a 50% increase in dollar wins over 2020. We are laying the foundation to be a top competitor providing products and solutions for the electric vehicles markets, powering the future of electrified mobility.



### Infrastructure

Linamar's Skyjack OEM division is powering the Mobile Access industry by providing highly engineered, high quality Aerial Work Platform (AWP) solutions. Our global Infrastructure requires safe, reliable products that also increase construction site productivity - and that is what Skyjack provides with its Vertical Mast Lifts, Scissor Lifts, Booms and Telehandlers. Our focus here is in telematics and digitization to drive more efficient management of the fleet as well as power savings through additional electrification and other weight and power reduction initiatives.



### **Food**

Linamar's MacDon and OROS subsidiaries are powering the future of agriculture, equipping farmers with high quality machinery such as header attachments, self-propelled swathers, pick- up headers and hay products, that seek to increase farm productivity in order to more efficiently feed a growing global population. Our focus here is precision agriculture — use only what you need where you need it, to dramatically reduce the need for water, fertilizer and other products in the field. Increasing crop yields is another important strategy to reducing the environmental footprint of putting food on the table.





### MedTech

An aging global population requires a Medical Device supply chain that must evolve, increase efficiency and provide more competitive healthcare solutions. Linamar has demonstrated its ability to apply its scale and manufacturing expertise throughout the COVID-19 pandemic by rapidly entering production of ventilators and UV disinfectant units. The company is also in the launch phase on two new contract manufacturing programs for Synaptive Medical. Linamar is Synaptive's manufacturing partner for its surgical automation system and MRI solution. Building on these recent successes, Linamar announced the formation its MedTech group, which will focus on pursuing opportunities in the Medical Device and Precision Medical Components markets. We think there is ample opportunity to drive improved energy efficiency in medical devices by addressing size, digitization and automation.



### **Power**

The globe's increasing need for Energy and Linamar's prioritization of Green Technology offerings provides a significant opportunity for the company and the planet. Linamar has been involved with major wind and solar projects in the past. As renewable energy sources continue to increase their share of the market, new innovations will improve the competitiveness of these solutions with that of fossil fuel based energy sources. Linamar intends to be a player in that transition to a greener future of Power. The key to the future of efficient power systems is clean, clearly, and decentralized in our opinion.



### Water

The world will have a great need for clean water access, increased conservation and more de- centralized systems in the future. It's a very long-term strategy, but Linamar is excited about the opportunities to play a role in the development of a better global water infrastructure. The key to the future of efficient water systems is clean, clearly, and decentralized in our opinion.



# **Sustainable Development Goals**

The United Nations' Sustainable Development Goals are at the heart of the 2030 Agenda for Sustainable Development, which is aimed at improving health and education, reducing inequalities, and spurring economic growth while tackling climate change and working to preserve the environment. To achieve these goals it is critical that each of us do our part to contribute. Below is an outline of the SDGs that Linamar is committed to progressing and how we are contributing.

#### SDG

### **Alligned Targets**



#### **Quality Education**

4.3 By 2030, ensure equal access for all women and men to affordable and quality technical, vocational and tertiary education, including university.

4.4 By 2030, substantially increase the number of youth and adults who have relevant skills, including technical and vocational skills, for employment, decent jobs and entrepreneurship.

# 5 GENDER EQUALITY

#### **Gender Equality**

5.1 End all forms of discrimination against all women and girls everywhere.

5.5 Ensure women's full and effective participation and equal opportunities for leadership at all levels of decision-making in political, economic and public life.



#### **Clean Water and Sanitation**

6.3 By 2030, improve water quality by reducing pollution, eliminating dumping and minimizing release of hazardous chemicals and materials, halving the proportion of untreated wastewater

#### **How Linamar is Contributing**

#### **Quality Education**

Linamar is contributing to inclusive and equitable quality education and developing a future workforce of young people with relevant, employable skills through a number of programs including girls' skills camps, apprenticeship programs and scholarships for women in STEM and business programs, among others.

- Girls' skills camps
- Scholarships for women in STEM and Business programs
- Diversity Council
- Jobs for new immigrants & refugees

#### **Gender Equality**

Linamar takes a ground-up approach to diversity, striving for equality and empowering women and girls in our workforce to equip them and provide leadership opportunities. We firmly believe management should be proportionally representative of the workforce and we are proud that is the case at Linamar.

- Girls' skills camps
- Scholarships for women in STEM & Business
- See it. Be it. STEM it.
- Diversity Council
- Proportionate representation agenda

#### **Clean Water and Sanitation**

Linamar understands the critical importance of water to a sustainable future and we make significant efforts to reduce our water withdrawals and wastewater generation each year. One



### SDG Alligned Targets

and substantially increasing recycling and safe reuse globally.

6.4 By 2030, substantially increase wateruse efficiency across all sectors and ensure sustainable withdrawals and supply of freshwater to address water scarcity and substantially reduce the number of people suffering from water scarcity.

# B DECENT WORK AND ECONOMIC GROWTH

#### **Decent Work and Economic Growth**

8.2 Achieve higher levels of economic productivity through diversification, technological upgrading and innovation, including through a focus on high-value added and labour-intensive sectors.

8.4 Improve progressively, through 2030, global resource efficiency in consumption and production and endeavour to decouple economic growth from environmental degradation, in accordance with the 10-year framework of programmes on sustainable consumption and production, with developed countries taking the lead.

8.5 By 2030, achieve full and productive employment and decent work for all women and men, including for young people and persons with disabilities, and equal pay for work of equal value.

8.8 Protect labour rights and promote safe and secure working environments for all workers, including migrant workers, in particular women migrants, and those in precarious employment.



and wastewater generation each year. One example of how Linamar's lean, innovative culture of waste elimination is contributing to water efficiency is through coolant recycling in our machining facilities.

- Reducing wastewater
- Coolant recycling

#### **Decent Work and Economic Growth**

As a global, diversified manufacturer, Linamar employs over 26,000 people. Just as we are focused on growth, we understand the importance of growing our people to develop talent and skills that will carry the company sustainably into the future. Linamar actively promotes talent development through several ongoing programs including Each 1 Teach 1 (E1T1), Linamar Leadership Development Program (LLDP). Success Equals Teaching, Educating Employees at Linamar, Linamar Entrepreneurial Advancement Program (LEAP), and Linamar Advanced Manufacturing Program (LAMP).

- Talent development: E1T1, LLDP, STEEL, LEAP, LAMP
- Developing fuel efficient and electrified products for mobility



#### **Industry, Innovation, and Infrastructure**

9.1 Develop quality, reliable, sustainable and resilient infrastructure, including regional and transborder infrastructure, to support economic development and human well-being, with a focus on affordable and equitable access for all.

9.2 Promote inclusive and sustainable industrialization and, by 2030, significantly raise industry's share of employment and gross domestic product, in line with national circumstances, and double its share in least

#### **Industry, Innovation, and Infrastructure**

Products made by Linamar are used everyday to help build infrastructure around the world, contributing to economic development and well being. As a Tier 1, Tier 2, and OEM manufacturer, Linamar promotes inclusive and sustainable industrialization throughout our supply chain and the markets in which we operate.

 Skyjack's aerial access products are enabling the development of sustainable, resilient infrastructure around the world.



### SDG Alligned Targets

#### developed countries

9.4 By 2030, upgrade infrastructure and retrofit industries to make them sustainable, with increased resource-use efficiency and greater adoption of clean and environmentally sound technologies and industrial processes, with all countries taking action in accordance with their respective capabilities.



### Responsible Consumption and Production

12.2 By 2030, achieve the sustainable management and efficient use of natural resources.

12.4 By 2020, achieve the environmentally sound management of chemicals and all wastes throughout their life cycle, in accordance with agreed international frameworks, and significantly reduce their release to air, water and soil in order to minimize their adverse impacts on human health and the environment.

12.5 By 2030, substantially reduce waste generation through prevention, reduction, recycling and reuse.

12.6 Encourage companies, especially large and transnational companies, to adopt sustainable practices and to integrate sustainability information into their reporting cycle.

### **How Linamar is Contributing**

### Responsible Consumption and Production

Waste elimination is at the heart of Linamar's culture. Reducing waste is good for our company and good for our environment. This culture stems right from senior management and penetrates throughout the organization to the shop floor where employees submit multiple LEAN suggestions every year.

- Waste elimination
- Wastewater reduction
- Coolant recycling
- Energy Conservation



#### Climate action

13.2 Integrate climate change measures into national policies, strategies and planning.

#### Climate action

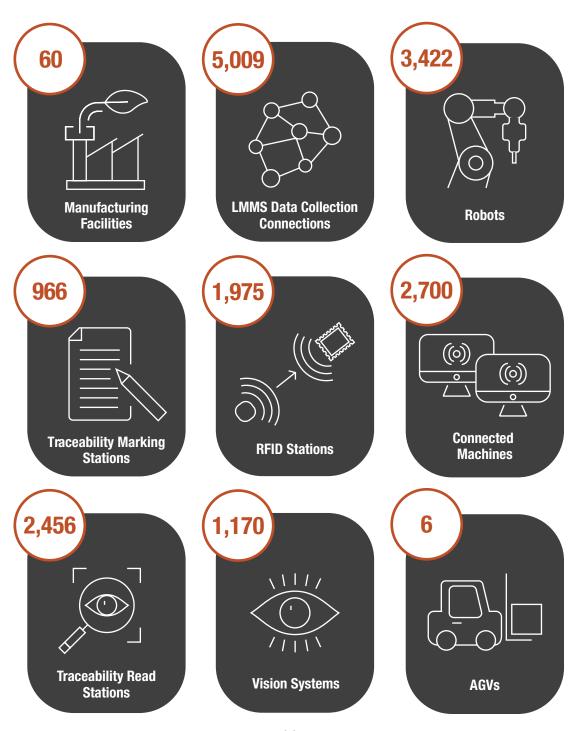
We know the environment is critically important to all our stakeholders and we've committed to Net Neutrality in our supply chain and products by 2025. We are addressing environmental challenges with the belief that not only is it better for the environment, but also creates massive market opportunities for those with solutions.

- Environmental policy
- Sustainability Roadmap and Goals (Net Zero Commitment)



# **Digitization with AI/ML**

Industry 4.0 presents a significant shift for the way goods will be manufactured and along with it the skills needed from employees who manufacture those goods. Linamar is on the leading edge of the Digitization of Advanced Manufacturing with Artificial Intelligence and Machine Learning. We can see the potential of a Factory of the Future and are building the skills and knowledge today for the factory of tomorrow.





# **Sustainability Governance**

Linamar's Board of Directors has responsibility and oversight of the Sustainability programs and Governance policies. A list of Linamar's governance documentation can be found in the appendix of this document.

### **Board of Directors**

### **ESG** Issues are a Board Priority.



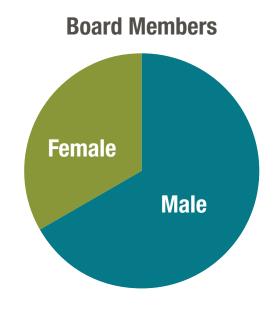
Linda Hasenfratz Executive Chair & CEO

Linamar has a strong board of industry and financial experts. Our smaller board allows us to remain agile and responsive, while deploying expert knowledge to steer the company to a sustainable and profitable future. More information on Linamar's Board of Directors can be found in the 2021 Management Information Circular (MIC).

Our Board also recognizes the importance of ESG and Sustainability issues for the future of our company, our people, our customers, and our communities. These issues need to be addressed from the most senior levels of influence within the company, and as such, Sustainability issues are a regular topic of Board discussions.

### **Diversity Policy**

Diversity has long been valued at Linamar. We are proudly led by a female CEO and have over 33% female representation on our Board. We strongly believe that diverse leadership leads to better decision-making and superior performance. In 2020, our Board recognized that while our priorities around diversity in leadership are engrained in our culture, we had not made a formal commitment at the Board level. To reaffirm our position in diverse leadership, Linamar's Board approved a Board Diversity Policy which establishes objectives for diversity at the board level and management level. Our new Board Diversity Policy is found on the following page or in Linamar's 2021 Management Information Circular (MIC) document.





# **Ethical Governance**

### **Whistleblower Program**

Linamar believes in promoting responsible and ethical conduct throughout our company and our supply chain. Linamar Ethics for Everyone provides a number of reliable incident reporting resources to employees, customers, suppliers, and other stakeholders.

### **EthicsPoint**

EthicsPoint is an anonymous and confidential reporting channel available to employees, customers, and other stakeholders of Linamar to report concerns regarding accounting, internal controls, or ethical issues. All reports submitted through EthicsPoint are handled promptly and investigations are conducted where appropriate. Linamar guarantees that all reports submitted through EthicsPoint are confidential and can be submitted anonymously. EthicsPoint is a third party organization, independent of Linamar.

The EthicsPoint portal can be found at <a href="https://linamar.ethicspoint.com/">https://linamar.ethicspoint.com/</a> or by calling 1-888-294-5496.

### **Competitive Behaviour**

Linamar's practice is to comply with all applicable laws, including antitrust and competition laws. Linamar Corporation has never been charged for anti-competitive practices or behaviours and has never incurred any monetary losses due to defenses or investigation of such charges. Linamar does not foresee any future antitrust charges or material liabilities due to competitive behaviours.

	2019	2020	2021
SASB TR-AP-520a.1: Total amount of monetary losses incurred as a	0	0	0
result of legal proceedings associated with anti-competitive behaviour			
regulations.			

### **Enterprise Ethics**

We believe Linamar, along with its associates, vendors, suppliers, partners and related parties, have the responsibility of being good corporate citizens and conducting business in an ethical manner. In line with this belief, Linamar has established the following policies regarding ethical business conduct.

More information on Linamar's ethics practices and policies can be found in the appendix of this document.



# **Data & Cyber Security**



Linamar understands the importance of data privacy and is committed to ensuring the preservation of our stakeholder's privacy, in accordance with applicable laws. We only collect, use, and disclose personal information for legitimate business or employment purposes, as required by law or with individual consent. Confidential information, which may include proprietary information and trade secrets, is a source of value to Linamar and we are committed to its protection.



### **Enterprise Cybersecurity**

In our world of rapid technological evolution and data-driven innovation, cybersecurity is a critical factor for effective risk management. We understand and take seriously the related risks and have developed programs and processes to ensure our data and our customers' data remains secure. Our cybersecurity measures have been developed to meet or exceed all governmental and regulatory requirements and align with Linamar's Business Standards, and take into account our stakeholders' priorities. Our Board of Directors has risk oversight responsibility for Linamar's enterprise IT/Technology security systems and cybersecurity programs. The Board is supported by the Technology Committee through the committee's risk oversight responsibility for product-embedded or solution software cybersecurity.

# Linamar's cybersecurity activities align to the National Institute of Standards and Technology NIST Cybersecurity framework:

- Identify Develop an organizational understanding to manage cybersecurity risk to systems, people, assets, data, and capabilities.
- Protect Develop and implement appropriate safeguards to ensure delivery of critical services.
- Detect Develop and implement appropriate activities to identify the occurrence of a cybersecurity event.
- Respond Develop and implement appropriate activities to take action regarding a detected cybersecurity incident.
- **Recover** Develop and implement appropriate activities to maintain plans for resilience and to restore any capabilities or services that were impaired due to a cybersecurity incident.

All projects regarding IT, cybersecurity and/or data privacy are run through a gated process, which includes security reviews and benchmarking.



The rapid evolution of technology and cybersecurity threats requires regular review and evaluation of security measures. We regularly evaluate the effectiveness of our cybersecurity programs and assess compliance with appropriate standards and regulations. Our team is flexible, agile and systems-oriented in nature, which enables

Linamar to stay ahead of developing potential threats.

Our approach is multi-pronged to allow sufficient freedom to drive innovation while being able to protect our enterprise. We follow the model of:

#### **ASAM**

- Access Access to Linamar's networks will be restricted / controlled
- Security Intrusion Detection System will monitor network traffic for the detection of abnormal behaviour
- Audit Linamar's wireless authentication and encryption standards will be reviewed yearly to ensure that
  we are using current methods and best practises
- Monitor All Linamar firewalls are subject to periodic auditing

These activities are supported by our SIRP (Security Incidence Response Plan) to defend against and respond to incidents.

Linamar's cybersecurity program includes centralization of strategy development, cybersecurity policies, compliance measures, and global training and awareness programming, and is under the leadership of our Global VP of IT. The decentralized structure of our operations also places accountability at the facility level for IT systems and risks/security issues inherent in production operations and products. However, the centralized team provides tools and support to enable operating groups to determine their required solutions.



# **Environmental Management**

### **SASB Statement**

Linamar's Board of Directors has accepted that management should move toward the adoption of the SASB standards for annual public disclosures pertaining to environmental management. The HRGC Committee views the SASB Auto Part sector standard for Sustainability metrics as appropriate for the company to report against. They do, however, have a view on certain social responsibility topics, such as the usage of conflict minerals, that management should make disclosures that, in certain instances, go further than what is required by SASB. The 2019 fiscal year was the first time that Linamar began to disclose some elements related to the SASB guidelines. Currently, not all recommended metrics are tracked, however, the company will disclose more over time as the required data gathering and verification systems are implemented and improved upon on a global basis.

Linamar has made significant strides in improving sustainability reporting, including the establishment of an internal Sustainability Council, undertaking enhanced data collection and aggregation for reporting, and increased resources focused on sustainability efforts. Disclosures outlined by the SASB framework have been included in the relevant subsections under Environmental Management in this report. Currently, data collected represents about 40% of all global facilities.





# **Climate-Related Opportunities**



### 1. Resource Efficiency

Linamar's waste elimination culture is at the center of our resource efficiency strategy. A few of the ways we are continuously increasing efficiency and eliminating waste are below.

**Energy:** Reducing energy usage is a key imperative at every facility. High efficiency lighting, processes to idle unused equipment over evenings and weekends, better control of lighting and HVAC, and optimizing equipment power use, are all examples of how we are realizing continued savings in terms of energy consumption per dollar of sales in our global facilities. Helping accelerate this work are power generation trends in North America and Europe demonstrating utility companies are increasing their renewable generation capacity at accelerating rates. Linamar believes these trends will continue and our company will benefit from lower costs of greener energy and significantly reduced carbon footprint.

**Water:** Innovations in manufacturing are increasing efficiency in all areas of resource consumption, including water. One such innovation that Linamar has implemented is the separation of coolant from water to be reused and recycled. This is already benefitting Linamar in the form of increased cooling efficiency and decreased costs. Our plants have developed many such innovative solutions to reducing our water consumption per dollar of sales generated as is demonstrated by data gathered from our facilities.

# 2. Energy Sources

Linamar's Canadian operations are powered primarily by non-GHG emitting sources, a result of the province of Ontario's electricity generating strategy that eliminated all coal production in 2014 and heavily invested in solar and wind technologies to supplement the strong use already in place of hydro and nuclear. More than 80% of Canada's electricity sources are not carbon dependent and more than 94% of Ontario's energy is from clean sources. With Canada representing 40% of our global facilities, this makes a meaningful difference in Linamar's carbon footprint. We are excited by the trends seen in US, Chinese and European utilities switching to renewable power sources as well. These trends indicate renewable energy sources are rapidly becoming the most cost-competitive power generation sources, which we expect to benefit from in the future as the energy transition matures and cost savings can be passed on to energy consumers.

Linamar has invested in PV Solar Panel installations on roofs of the majority of Canadian facilities and has already begun to realize benefits from lower energy expenses.





# 3. Products & Markets

Linamar operates in two segments today: Mobility and Industrial. Linamar's Vision 2100 strategic 100-year plan aims to further diversify into new sustainable markets. We see opportunities for Linamar to compete in Power & Energy, Water, and Age (Medical Device) markets. Opportunities in New Energy markets offer a particularly sustainability-centric revenue diversification channel.

Sustainable and low-emissions technologies that Linamar has developed and continues to invest in include the following:

- Vehicle electrification for Hybrid, BEV, and FCEV propulsion systems
- Lightweighting
- · Systems for efficient powertrains
- Renewable power generation
- · Hybrid and electrified aerial access

At Linamar we are particularly excited by the opportunities presented in electrified mobility. Our flexible manufacturing strategy is the central component of our ability to pivot into new products, such as electrified propulsion systems, with a capital investment profile similar to historical capital outlay for the business. Also, the equipment profile is similar and can be retooled, thus reducing the risk of stranded assets. Linamar's McLaren Engineering and Innovation Hub are also key advantages in our ability to develop superior electrified mobility products.

To learn more about Linamar's technology strategies, visit Linamar.com/technology.



# 4. Resilience

Diversification of capabilities and markets, with a view to further diversify in line with our Linamar 2100 Plan, is integral to Linamar's resilience. Our diversification strategy coupled with the expansion of sustainable product offerings in key markets, such as New Energy Vehicles with lightweight and fuel efficiency technologies in mobility, mean Linamar will continue to adapt and succeed in the transition to lower our carbon footprint and creat an increased sustainable economy.

Linamar's organizational culture is lean, agile, and responsive that will serve the company well to transition to a lower carbon economy. Linamar has proven its resilience through a superior performance during the COVID-19 pandemic crisis. We managed to get 90% of our employees back to work by mid-2020 while generating strong cash flows despite drops in auto production from pandemic shutdowns. This resilience is an example of Linamar's agility and ability to adapt and overcome any challenge.



# **Environmental Risks**

Linamar's risk management program begins with the company's Management and Board identifying risks to the revenue and profit drivers. This broad understanding of Linamar's risk profile is then used as the basis for identifying the climate-related drivers that impact the identified risks. In efforts to fully adopt the TCFD framework, Linamar is currently undertaking materiality analysis to understand and determine what risks proposed under the TCFD framework pose a material threat to Linamar's business model. It is important to note that the impacts of environmental and climate change risks are uncertain and may develop over time. The discussion below is based on risks set forth in Linamar's annual MD&A as they relate to the TCFD risk framework. For a complete understanding of Linamar's risk profile, please review the most recent annual MD&A available at Linamar.com/investors or on SEDAR.

#### **Public Health Threats**

In early 2020, COVID-19 quickly spread in multiple countries and was declared a pandemic by the World Health Organization in mid-March. As the COVID-19 pandemic and resulting economic contraction has significantly impacted the health and economic wellbeing of our employees, customers, suppliers, global and local communities, the Company took quick action with our COVID-19 Global Task Force and Action Response Plan. Public and private sector regulations, policies, and other measures aimed at reducing the transmission of COVID-19 included the imposition of business closures, travel restrictions, the promotion of social distancing and the adoption of work-from-home and online continuity plans by companies and various institutions. Globally, various governments have provided assistance to those affected including individuals and businesses through a number of taxation deferrals, subsidies, and other relief programs. The Company has reopened its manufacturing facilities, while ensuring that back-to-work health and safety protocols that were implemented across all of our facilities are maintained. The full extent and impact of the ongoing COVID-19 pandemic, including current and potential future responses to it, are unknown. At this stage, it is very difficult, and in some cases impossible, to predict what will occur.

**Physical: Acute** 

# Competition, Outsourcing, and Insourcing

Various factors affecting the OEMs, such as the level of consumer spending on automobiles and related market volumes, entrenched capital assets, labour contracts, and other economic factors, impacts the decision on whether to outsource work or not; such changes and decisions are reflected in the Company's results through reduced volume on some existing programs and the ability to bid on and receive, new business.

**Transition: Market Risk** 

### **Sources & Availability of Raw Material**

The primary raw materials utilized by the Company's precision machining, access equipment and harvesting equipment operations are iron castings, aluminum castings, raw aluminum (ingot), forgings, raw steel, steel fabrications, powertrain assemblies, powder metal, bearings, seals and fasteners, which are readily obtained from a variety of suppliers globally that support the Company's operations. The Company is not substantially dependent on any one supplier. A disruption in the supply of components could cause a temporary shut-down and prolonged supply disruption, including the inability to re-source or in-source production of a critical component, could have a material adverse effect on the Company's business.

**Physical: Acute** 



# **Labour Markets and Dependence on Key Personnel**

For the development and production of products, the ability for the Company to compete successfully will depend on its ability to acquire and retain competent tradespeople, management, and product development staff that allow the Company to quickly adapt to technological change and advances in processes. The loss of certain members of the executive team or key technical leaders of the Company could have a disruptive effect on the implementation of the Company's business strategy and the efficient running of day-to-day operations until their replacement is found. Competition for personnel throughout the industry is intense. The Company may be unable to retain its key employees or attract, assimilate, train or retain other necessary qualified employees, which may restrict its growth potential.

**Transition: Market, Reputation** 

### **Dependence on Certain Customers**

The Company's Mobility segment has a limited number of customers that individually account for more than 10% of its consolidated revenues or receivables at any given time. Any disruption in the Company's relationships with these major customers or any decrease in revenue from these major customers, as a consequence of current or future conditions or events in the economy or markets in general or in the automotive (including medium/heavy-duty trucks) and industrial industries in particular, could have a material adverse effect on the Company's business, financial condition, or

results of operations.

**Transition: Technology, Market** 

# **Technological Change and Product Launches**

The automotive and non-automotive precision machining industry, as well as the access equipment and harvesting equipment industry, may encounter technological change,

new product introductions, product abandonment, and evolving industry requirements and standards. Accordingly, the Company believes that its future success depends on its ability to launch new programs as well as enhance or develop current and future products at competitive prices and in a timely manner. The Company's inability, given technological or other reasons, to enhance, develop, or launch products in a timely manner in response to changing market conditions or customer requirements could have a material adverse effect on the company's results of operations. In addition, there can be no assurance that products or technologies developed by other companies will not render the Company's products uncompetitive or obsolete.

**Transition: Technology** 

### **Foreign Business Risk**

The Company's operations in Europe, the Americas, and Asia are subject to general business risks that do not exist in Canada. The political climate and government policies are less stable and less predictable in certain of these countries. As well, certain countries do not currently have the same economic infrastructure as exists in Canada.

**Transition: Policy & Legal, Market** 

### **Legal Proceedings**

The Company may be threatened from time to time in the ordinary course of conducting its business with, or may be named as a defendant in, various legal and regulatory proceedings. These legal proceedings could include securities, environmental or occupational health and safety regulatory proceedings, as well as product liability claims, general liability, warranty or recall claims, or other consequential damages claims. A significant judgment against the Company, or the imposition of a significant fine or penalty as a result of a finding that the Company has failed to comply with laws or regulations, could have a material adverse effect on the Company.

**Transition: Policy & Legal** 



#### Weather

Weather such as drought and flooding can have an adverse effect on crop quality and yields and therefore net farm income and new equipment orders.

**Physical: Acute** 

#### **Tax Laws**

The tax laws in Canada and abroad are continuously changing and no assurance can be given that Canadian federal or provincial tax laws or the tax laws in foreign jurisdictions will not be changed in a manner that adversely affects the Company. Over the past several years, some countries have reduced their tax rate in an effort to attract new business investment. There is no assurance that this trend will continue or that tax rates will remain unchanged. The Company currently has tax losses and credits in a number of countries that, given unforeseen changes in tax laws, may not continue indefinitely. Also, the Company's expansion into emerging markets subjects the Company to new tax regimes that may change based on political or social conditions.

**Transition: Policy & Legal** 

# **Securities Laws Compliance and Corporate Governance Standards**

The securities laws in Canada and abroad may change at any time. The impact of these changes on the Company cannot be predicted.

**Transition: Policy & Legal** 

#### **Environmental Matters**

The Company's manufacturing operations are subject to a wide range of environmental laws and regulations imposed by governmental authority in the jurisdictions in which the Company conducts business, including among other things, soil, surface water and groundwater contamination; the generation, storage, handling, use, disposal and transportation of hazardous materials; the emission and discharge of materials, including

greenhouse gases, into the environment; and health and safety. Changes in laws and regulations, however, and the enforcement of such laws and regulations, are ongoing and may make environmental compliance, such as emissions control, site cleanups and waste disposal, increasingly expensive. Senior management regularly assesses the work and costs required to address environmental matters but is not able to predict the future costs (whether or not material) that may be incurred to meet environmental obligations.

**Physical: Acute** 

### **Mitigation**

The following are some of the strategies Linamar utilizes in efforts to mitigate environmental and climate-related risks:

- Monitoring regulatory developments
- Communication with customers to understand and evaluate their product priorities and compliance requirements
- Diversification of products across technologies and geographies
- Internal Research & Development and Acquisition investments to develop and/or acquire technologies to be a leading competitor in a carbon-neutral future
- Developing internal infrastructure to gather data and report on key sustainability metrics

We anticipate continued strengthening of environmental regulations and trends of increasing requirements from capital markets regarding sustainability reporting to continue. Linamar has established a Sustainability Council to monitor and evaluate risks in the sustainability transition and develop internal infrastructure for sustainability tracking and reporting.



# **Environmental Performance**

In 2021, the Sustainability Council established at Linamar worked to initiate sustainability data gathering and reporting efforts. Due to Linamar's business model, individually operating facilities, and complexity of operations, we are currently limited to reporting on operations in Canada.



# Environmental Management System

Linamar has a strong commitment to protecting the environment. We understand that protecting our environment is a critical aspect in caring for our employees, and our communities and managing a sustainable business. This commitment includes incorporating a clause under our Global Operating System (GOS) that stipulates that all our global manufacturing facilities are encouraged to be externally certified to the ISO 14001 Environmental Management Systems standard. This system ensures natural resources are being disposed of properly by outlining standards for the reduction of greenhouse gases. It also covers the framework for other approaches such as audits, communications, labelling and lifecycle analysis, as well as ways in which to address climate change.



# **Carbon Emissions**

Linamar's autonomous decentralized profit centers model has historically allowed each individual facility to track their own emissions per the regional standards and guidelines in the jurisdictions in which they operate. We have recognized this as an opportunity and are in the process of creating a world-class globally standardized data gathering, reporting and validation system to monitor and report on Linamar's emissions. This is a significant undertaking, requiring time and resources. We are working diligently to develop these; look for more disclosures over time.



### 🖔 Lean Culture

Linamar's lean manufacturing philosophy is core to staying competitive to be the supplier of choice, providing returns to be the financial investment of choice, and engaging employees to be the employer of choice. This philosophy works to eliminate unnecessary waste by focusing on creating value and reaches each employee throughout the organization through the deployment of two key programs:

1. Linamar's lean suggestion program requires each employee to implement their lean suggestions at their location, which directly impacts the elimination of waste by addressing the areas on Linamar's COMMWIP (Correction, Over Production, Motion, Material Movement, Waiting, Inventory, over-Processing diamond to improve the health & safety of our workplace. The COMMWIP diamond is a tool used to categorize the seven different forms of waste and is widely used by many top manufacturers.



2. The Online Wisdom of Linamar (OWL) is an internal database that allows employees to submit and extract global best-in-practice ideas across the entire organization. Each location has excellent tips, templates, and solutions that can be transferable to other locations. This internal database houses thousands of these ideas and is easily searchable based on keywords. Every shop floor employee can access these ideas on our internal intranet system. Employees are encouraged to contribute, extract and even rate ideas on a regular basis. Top OWL ideas are also highlighted across the company through internal videos.

Both programs offer our employees a way to make meaningful contributions to the company. Each location rewards the outstanding contributions of employee ideas in many ways that are appropriate for their operating region.



Year	Non-Hazardous Waste (thousands of tonnes)	Recyclables (thousands of tonnes)	Waste Diversion Rate (%)
2019	2.6	86.3	97%
2020	1.4	64.1	97%
2021	1.3	70.1	98%

## 1,091 ML Total water withdrawals in 2021





### **Linamar's Canadian facilities used 281 GWh of electricity.**

Linamar's core operations in Canada operate in a jurisdiction where electricity transmission is largely powered by nuclear, hydro, and renewable sources. The facilities are powered by utilities in Canada that generate 67% of electricity from renewable sources and 82% from non-GHG emitting sources according to the Government of Canada Electricity facts. Ontario is where the majority of Linamar's operations operate and boasts an electricity grid that is 94% clean energy.



# **Environmental Remediation**

Linamar believes in good stewardship of the environment and has ongoing efforts both remedial and preventative to maintain the environment surrounding its operations. Linamar's Canadian facilities 2021 environmental maintenance is below.



Remedial (millions)	\$31
Preventative (millions)	\$63
Total (millions)	\$95



### **Product Sustainability**

SASB TR-AP-250a.1

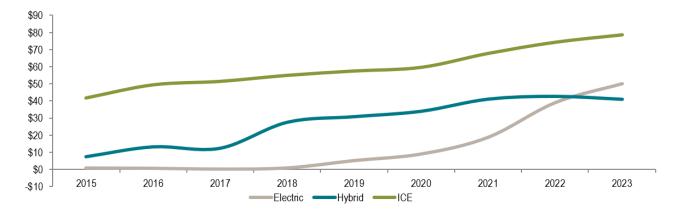
Linamar has had zero product recalls from 2019 through 2021 inclusive, either voluntary or involuntary.

### **Design for Fuel Efficiency (SASB TR-AP-410a.1):**

The company has a long-standing history of developing fuel-efficient powertrain solutions. We already derive a major portion of our light vehicle sales from components designed for fuel efficiencies such as fuel-efficient engines and transmissions. Linamar's mobility customers still currently demand primarily ICE componentry; however, new energy vehicle (NEV) component sales are growing rapidly and will make up a significant part of future sales. The following figures contain the percentage of Light Vehicle revenue Linamar derived from NEV products in 2021 and demonstrates Linamar's role in contributing to the sustainable mobility transition through forecasted NEV content. We point to Linamar's expected growth in Battery Electric Vehicle content as signified by the line graph below. More than a quarter of Linamar's 2021 new business wins were electrified and represented a 50% increase in dollar wins over 2020 - an indication of the increased portfolio of electrified offerings we will have in the future as these new programs launch and ramp-up.

	% 2021 LV Revenue
Engine (3&4 Cylinder)	22%
Transmission (8,9,10 speed)	39%
NEV	10%

### **CPV** by Propulsion Type

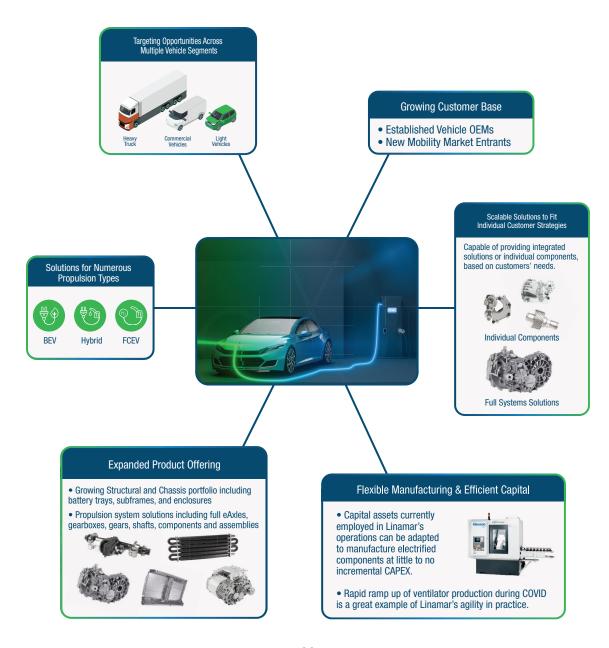




# **Maximizing Linamar's Electrification Opportunity**

Linamar sees technology change as an opportunity, which is why we're excited by the market shift to electrification both for our own growth as well as the benefit it will bring to the planet in reducing Carbon emissions. The company's long-time Flexible Manufacturing Strategy will serve Linamar well during this market transition — reducing risk and eliminating the threat of stranded assets.

We're ready to be part of the global transition to a zero-emissions fleet. We deliver electrified and hydrogen-powered product solutions for light vehicles, commercial vehicles, and alternate mobility. eLIN combines Linamar's manufacturing excellence with world-class engineering to deliver integrated systems for electrified drivelines.





### **Human Rights**

Linamar believes that it has an important responsibility to respect and promote human rights. Linamar has a history of prioritizing Human Rights as evidenced by the manner in which human rights statements are intergrated into other relevant policy documents.

The following Linamar policies include statements on Human Rights, Diversity, and directly related issues:

- Enterprise Code of Conduct
- Global Supplier Diversity Policy
- AML & Sanction Policy
- Employee Code of Conduct

### **Supply Chain Sustainability**

Linamar evaluates its facilities and suppliers on their performance and adherence to Linamar's policies on diversity, human rights, and labour practices through regular audits, in accordance with Linamar's Supplier Quality Manual (the Manual). The Manual includes prohibitions on the use of child or forced labour, abusive employment or corrupt business practices, and defines policy on conflict mineral sourcing. The Manual also requires all Linamar Suppliers and their suppliers and subcontractors to comply with all applicable laws and regulations, and Linamar's Enterprise Code of Conduct, at a minimum.



# **Social Responsibility & Diversity**

Linamar is truly a global corporation, and the composition of our workforce reflects the scope of our business operation and the communities we operate in.

We are respectful of our people, responsive to our customers, and thrive on innovation, ingenuity, and hard work. Our employees reflect the communities we work in, and that maximizes our access to the whole talent pool. It is our belief that talent drives results, and diversity maximizes talent.

In order to continue the positive development of our workforce and achieve company-wide success, we have set several initiatives in place:

- Programs such as Female Skilled-Trade Apprenticeships, Summer Technical Day Camps for Girls in grades 7-9, Skills Canada Partnership
- Skills Work! Summer Camps run in various locations across the province, offering hands-on activities related to the skilled trades where campers develop communication, problem-solving, and team-oriented skills
- Long-term corporate priority to increase female proportionality in leadership by attracting more female youth into manufacturing & technology at Linamar and in the industry in general
- \$5 Million scholarship donation to Western University for ten female students each year, to fund half the cost of tuition for the three years of the dual degree program plus Linamar employment.





**△+2,000** 

combined followers across all social media platforms



calendars delivered across the world, from Canada to Australia, & everywhere in between



stories of women in STEM from around the world

#### **Advancement of Women in Business**

Our CEO, Linda Hasenfratz, was the Co-Chair of the Canada-US Council for Advancement of Women in Business. This council strives to offer guidance by sharing success stories and strategies from fellow businesswomen. They push to develop recommendations that work to enhance participation by women in business, professional development, as well as an entrepreneurial strategy for success. To learn more, please visit www.advancingwomeninbusiness. com

#### See it Be it STEM it

In addition to Linda's involvement with the council. Linamar is also the Founder and Lead Sponsor of "See it Be it STEM it," an inspirational program designed to motivate more young women into STEM through the use of role models. The initiative has a vibrant website showcasing motivational female role models who have chosen a career or area of study in Science, Technology, Trades, Engineering and Math. Each year 12 role models are featured in a calendar to explore their stories and advice more deeply and keep the conversation going all year long. We have distributed nearly 50,000 calendars over the last 3 years for free to girls around the world.

Our goal with this initiative is to inspire young women to pursue interests in STEM fields that can contribute to a more significant presence of women and help to enhance the overall global economy. To learn more, please visit www.seeitbeitstemit.com

This policy is aligned with Linamar's overall policy and views towards the talent that is driven by diversity, equal opportunity, and the benefit of having a wider selection of goods and services providers. Our efforts to increase the diversity of the supply base have been recently recognized by two of our key Detroit-based OEM automotive customers, as exhibited by receiving each of their Supplier Diversity Awards. Linamar is also a corporate member of both the Canadian Aboriginal and Minority Supplier Chain (CAMSC) and the National Minority Supplier Development Council (NMSDC).

#### **Global Diversity Council**

In 2021 we also established a Global Diversity Council in order to create more awareness and equity in other diversity matters, such as BIPOC, in the same way we have brought attention to gender diversity issues. Our policies on gender diversity earned the recognition of the initial Globe and Mail "Women Lead Here 2020" program.

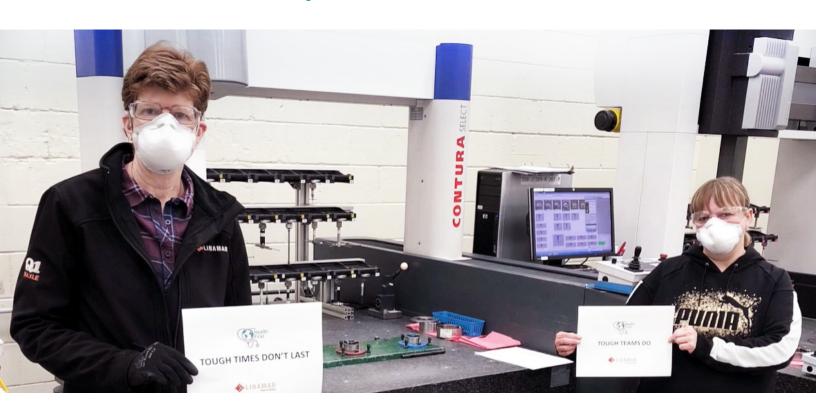


# **Occupational Safety**

Our employees are the heartbeat of our operations. Safe and healthy employees lead to an optimal work environment and superior performance. We ensure that our policies and processes for employee health and safety meet or exceed regulatory and legal requirements. Linamar's Global Operating System (GOS), encourages all North American facilities to certify to ISO45001 and encourages global facilities to certify to ISO45001 while achieving applicable local standards. All facilities have regular employee meetings to keep them informed of changes within the company. Under the Employee Leg of Linamar's Stepping Stool Strategy, health and safety objectives are set every year and are used to form part of management's compensation.

Any employees that are unsatisfied or believe their health and/or safety are at risk are also able to report grievances through Linamar's EthicsPoint hotline, which is described in the Ethical Conduct section of this document.

In 2021, Linamar's total global injury frequency rate was 3.74, significantly below the industry rate of 6.73. For a more in-depth understanding of Linamar's Health and Safety see Linamar's 2021 AIF and MIC documents.





# **Education & Development**

In the first few years of a Moso Bamboo tree's life, the only growth seen is that of its underground root system. Once a solid foundation is formed, the tree then grows rapidly at several feet per day. This analogy is representative of our employee's career development here at Linamar. We are a fast-paced and challenging work environment, focused on our markets being truly global in nature. Our customers offer a multitude of products in electrification, light vehicle, commercial vehicle, access, agriculture, and are increasingly asking us to support their global operations. This provides Linamar employees with opportunities to work overseas and take international assignments to travel to overseas locations and take international work assignments that help ensure technical skills, global operating procedures and company best practices are consistently applied in all our world-class facilities.

Linamar believes the company's best future leaders come from within. With this concept in mind, we have created an internal goal: 70% of all new positions or current openings must be filled from within our existing employee base. This means increased opportunities for professional advancement and promotion for those employees who choose to build their careers at Linamar.

For decades the inherent challenge has been attracting more female youth into the manufacturing sector overall. This reality is the reason Linamar is prioritizing programs that attract and develop young female talent in STEM. We continue to work towards gender representation throughout the levels of leadership, and proportional to the overall employee base (population).





# **Career Development Programs**



### Co-op

Linamar believes in growing our current and prospective employees through a variety of initiatives. We have a long-standing commitment to working with co-op students. Since 1997, Linamar has welcomed over 150 students per term (to Guelph facilities) to develop new skills, all while advancing those already acquired. That means 10,000+ students are getting real-life tangible experience to enhance their formal education. We recognize these students' dedication and strive to find ways to support them through their academic journey. Whether they join Engineering, IT, Accounting, Marketing, or HR, they are constantly surrounded by some of the brightest in the business and have unlimited opportunities to learn, grow and do meaningful work at every point in their career - all within a culture of flexibility, innovation, and collaboration.

### **Apprenticeships**

We also work with the Ontario College of Trades to provide apprenticeship opportunities to aspiring tradespeople. Linamar gives our people the tools to succeed, which is how we Power the Future by providing a learning environment to develop new technical skills through proper guidance and direction. We place a strong emphasis on the development of the technical skills of our people, investing heavily in various pathways of technical training to ensure the company has the right skills to meet future business needs. Whether it be the field of Electrician, Millwright, Machinist, or Welding, we provide valuable opportunities that translate to the retention of highly skilled tradesmen and women that keep our facilities operating to their maximum potential.





# **Employee Career Development**

Linamar has a strong foundation in the internal development of our employees. Through various programs and initiatives, we offer our employees opportunities that allow them to advance their passion of working for Linamar by giving them the resources and training that bring leadership qualities and positive attitudes to each facility. We strive to develop a culture in which people can maximize their potential. Our leadership culture is communicated, demonstrated, and rewarded at all levels of the organization. The result is a capable and motivated team of people whose potential is unleashed through a multi-faceted approach to growth and development. Through leadership training and development opportunities, we help our employees move in the direction they desire, helping them to drive the results necessary for their success as well as ours.



## **Linamar Entrepreneurial Advancement Program (LEAP)**

LEAP is a 3-5 year management development program designed to give potential candidates the skills, experience, confidence and perspective they need to become future operational leaders. Participants selected for this advanced management training program rotate through each functional area of the business at several locations throughout the company. The ideal candidate is a dynamic, high potential individual who would be ready to take on at least a Plant Operating Committee level management role within 3 years. This fast-paced, fast-track program helps us to ensure we have qualified people in the leadership roles that matter!

### **Linamar Leadership Development Program (LLDP)**

We know that strong, purposeful leadership is required to drive our success; that is why we provide our leaders with the best practices that help them to plan, communicate and execute in a way that demonstrates passion and edge. Our LLDP programs address critical leadership skills for each level of the organization. These programs are grounded in our Core Values and Leadership Behaviors and focus on essential outcomes. We know that leadership is about getting things done through others, so we give our leaders the knowledge, skills and tools they need to cultivate loyalty and commitment in their people. Great leaders, you'll find them here!

### **Linamar Advanced Manufacturing Program (LAMP)**

The Linamar Advanced Manufacturing Program (LAMP) is a two-year technical development program. Participants spend two years working rotations in the Tool Room, Engineering, Quality Assurance, and Production departments of different Linamar facilities. During the rotation portion of the program, participant learning is guided by technical learning outcomes (TLOs) in each of the four technical skill areas. Participants also receive training in financial acumen and attend Pre-LLDP training to support their integration into their new role at a facility upon graduation from the program.

### Each One, Teach One (E1T1)

To ensure that we have the right people in the right jobs at the right time, we keep an eye on our high potential employees and offer the opportunity to align their skills, experience and development goals with outstanding new opportunities. To help them grow with us, we offer development activities such as stretch assignments, mentoring, job shadowing and specialized training; all of this drives our high-performance culture.



# **Scholarships**

Linamar is proud to support young professionals on their education journey, and furthermore, has developed various scholarship opportunities.

### **University of Guelph, Engineering Program Scholarships**

As a technology company that has a great need for skilled engineers, we are committed to building the global competitiveness of the University of Guelph's Engineering program. Each year, ten engineering students receive scholarships to help them through their studies. We do not view these scholarships as a simple corporate donation but as an investment in the future potential of these students who may one day become a part of the innovative team at Linamar.

# **Conestoga College, Industrial Skilled Trades Scholarship Program**

Linamar dedicates substantial resources to encouraging the next generation to explore their options in the field of manufacturing. Since 2016, Linamar Corporation has offered six annual scholarships for students who have been selected for admission into the Mechanical Technician - General Machinist program at Conestoga College. This scholarship is renewable in Year 2. Students have the opportunity to participate in an 8-month co-op with an opportunity for full-time employment upon graduation.

# **University of Western Ontario, Scholarships for Women in Engineering & Business**

The Linamar Scholarships for Women in Engineering and Business supports up to 10 female students entering HBA 1 with the intention of completing the dual degree program in Engineering and Ivey (BESc/HBA). Upon acceptance into this scholarship, candidates automatically gain access to a summer co-op position with Linamar Corporation and are guaranteed a full-time employment offer upon graduation.

### Wilfred Laurier University, Scholarship in Accounting

The Linamar Scholarship for Accounting Education was established in 2015. Annually, Linamar provides 6 scholarships for students. Eligible candidates are full-time undergraduate students entering the fourth year of the Bachelor of Business Administration (BBA) Co-op program or associated double-degree Co-op programs.



# **Healthcare**

Linamar recognizes a healthy community for employees and their families to live in is crucial to powering a better tomorrow for all. Therefore, healthcare is a key focus of our Powering Futures initiative.

Over the past number of years, Linamar has been involved with local healthcare centres to update facilities and invest in new equipment to improve patient services.

In 2012 Linamar Corporation and the Hasenfratz Family donated \$1.0 M (CAD) to the Guelph General Hospital Foundation. The foundation's MRI and More campaign addressed three priorities, including purchasing an MRI Scanner, enhancing emergency room department care, and providing equipment for vascular surgery services. The foundation recognized the charitable contribution by naming the ER the Linamar Emergency Department.

In 2018, MacDon, a Linamar Company, made a significant donation to the STARS air ambulance aircraft group which provides critical emergency urgent care transportation services to the public in Western Canada. STARS is located in Canada's rural agricultural heartland within the prairies. MacDon is happy to support this vital service to the communities where the company's dealers & customers live, work and farm.

In 2019 Linamar, along with the Hasenfratz family, provided another donation to The Foundation of the Guelph General Hospital of \$5 M (CAD), a record-breaking contribution in what the hospital's CEO said, "Was a lasting legacy for the community." The initial funding was set to be used towards new infant warmers in its labour and delivery rooms, as well as a new centralized cardiac monitoring system and enhancements to electronic health records. Other members of Linamar's executive group personally contributed to both Guelph General and the St. Joseph's Health Centre in the form of charitable donations.

In 2021, Linamar partnered with Wellington-Dufferin-Guelph Public Health to coordinate a public vaccination clinic and publish a guide to launching a vaccination site for use by other organizations. This led to tremendous success and Linamar administered >57,000 vaccine doses in the community.

Our organizational culture, agility and manufacturing expertise has enabled us to rapidly respond to public needs during this COVID pandemic through expedited and complicated production launches. We are so proud of our team; their responsiveness, technical excellence, manufacturing flexibility and adaptability have made it possible to support our global communities.





# **Community Involvement**

Linamar has deep roots in our community. We believe that it is our responsibility to use our platform and position to affect real, positive, tangible change to the lives of people we directly impact. We live by our core values, with our work ethic and care driving our community involvement. Each year, many of our global employees organize their own volunteer days for numerous causes with their respective communities. Some examples include:



- Skyjack's partnership with Habitat for Humanity for the construction of housing for lowincome and in-need residents
- McLaren Engineering employees support the 'Diapers for the D.' A Detroit-based charity that organizes diaper drives for in-need families.
- Guelph Wish Fund annual campaign, a charity that supports children facing medical challenges.
- The annual United Way Campaign, where each facility creates its own campaign program to find unique and creative ways to raise funding for the United Way. In the past 4 years, Linamar has been responsible for more than \$3.0M (CAD) of direct funding raised for the local chapter of the United Way Guelph and the programs they administer for youth, basic housing, food and income needs, mental health support and programs for seniors.
- Linamar for the Performing Arts this is a program with the Guelph River Run Centre for the Performing Arts to allow elementary school kids in the area to attend performances at the River Run Centre. This program is dedicated to building wisdom and understanding of life's broadness and diversity through exposure to the performing arts. Every year, the program gives two opportunities for the River Run Centre to welcome students to experience professional performances of music, dance, theatre and more. Linamar is the primary sponsor of this program.
- Linamar is a premium sponsor for Skills Ontario in its mission to expose Ontario's youth to the technological and employability skills that are necessary to make them valuable members of the skilled trade workforce. In addition to Premium Sponsorship, we host an annual young women's career exploration event that provides participants with the opportunity to integrate experiential workshops and network with mentors.
- The Royal Ontario Museum (ROM) One of Canada's largest co-curricular educators, the ROM offers a diverse School Visits program that connects students to authentic natural specimens, cultural objects, and art to help students better understand and make sense of the people and world around them. Through guided tours, hands-on labs, virtual visits, special exhibition programs, and self-guided visits, our experienced teachers use learner-centered and inquiry-based teaching methods to engage students with the ROM's world-class collection. Linamar provides the support to allow students from the local school board to attend the ROM.

# **Appendix**

Governance Documentation and ESG Policies Index

Topic	<b>Linamar Policies &amp; Commitments</b>
Ethics & Human Rights	Supplier Scorecard
	Supplier Quality Manual
	Whistleblower Policy
	Code of Governance Practices
	AML & Sanction Policy
	Employee Code of Conduct
	Enterprise Code of Conduct
Climate Change & Environment	Environmental Policy
	<ul> <li>Sustainability Roadmap &amp; Goals</li> </ul>
Diversity	Board & Managment Diversity Policy
	Supplier Diversity Policy

For more information on Linamar's governance, visit www.Linamar.com/Governance.

### **Forward Looking Statement**

Certain information regarding Linamar set forth in this document and oral summary, including management's assessment of the Company's future plans and operations may constitute forward-looking statements. This information is based on current expectations that are subject to significant risks and uncertainties that are difficult to predict. Actual results may differ materially from these anticipated in the forward-looking statements due to factors such as customer demand and timing of buying decisions, product mix, competitive products and pricing pressure. In addition, uncertainties and difficulties in domestic and foreign financial markets and economies could adversely affect demand from customers. These factors, as well as general economic and political conditions and public health threats, may in turn have a material adverse effect on the Company's financial results. Please also refer to Linamar's most current Management's Discussion and Analysis of Financial Condition and Results of Operations ("MD&A") and Annual Information Form ("AIF"), as replaced or updated by any of Linamar's subsequent regulatory filings, which set out the cautionary disclaimers, including the risk factors that could cause actual events to differ materially from these indicated by such forward looking statements. These documents are available at <a href="www.linamar.com/investors">www.linamar.com/investors</a>. The Company assumes no obligation to update the forward-looking statements, or to update the reasons why actual results could differ from those reflected in the forward-looking statements. Content is protected by copyright and may not be reproduced or repurposed without express written consent by the Company.

**Linamar Corporation** 

287 Speedvale Avenue West Guelph, Ontario, Canada N1H 1C5

www.linamar.com