



above & beyond

integrity • care • creativity

Sustainability Report 2013

Committed to
the community,
the environment,
and tomorrow's generations.

A Letter from President and CEO John Fisher

This, our first sustainability report, is an opportunity to talk about what we have accomplished as well as set the tone for shaping our future. As a fifth generation family owned company, sustainability has been part of the Walker culture for generations.

The company's success has been a result of taking a generational view in decision making and understanding that in order for the company to thrive, our communities, our environment and our people must also be thriving – not just today but into the future. The values that were established

early by the Walker family guide our decisions. These values have provided us with a solid foundation upon which to grow the company.

Sharing our information in this first sustainability report takes us a step further in our commitment to creating a more sustainable future. We are proud of our performance record so far and continually look for opportunities to improve. Our sustainability reporting provides a level of transparency and also holds us accountable to our communities, our partners and our future generations.

This first report provides our sustainability baseline – a summary of our performance to date – and it sets goals to shape our future. We hope that it sparks some dialogue. It is conversations about things that matter that foster change.

Thank you for your interest in our company and our approach to sustainability.

Sincerely,

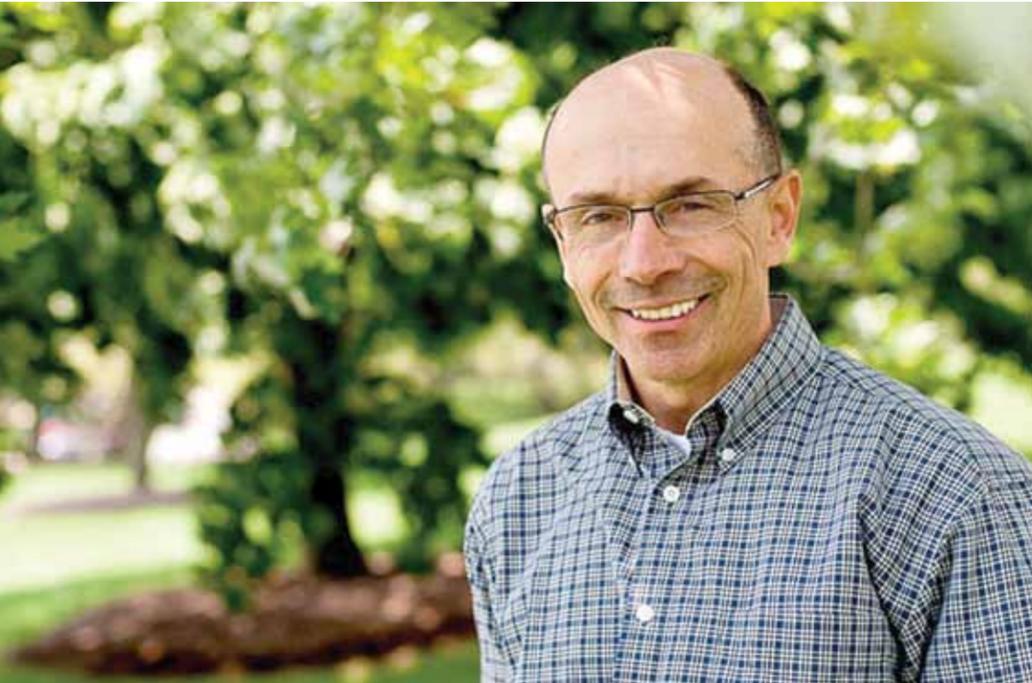
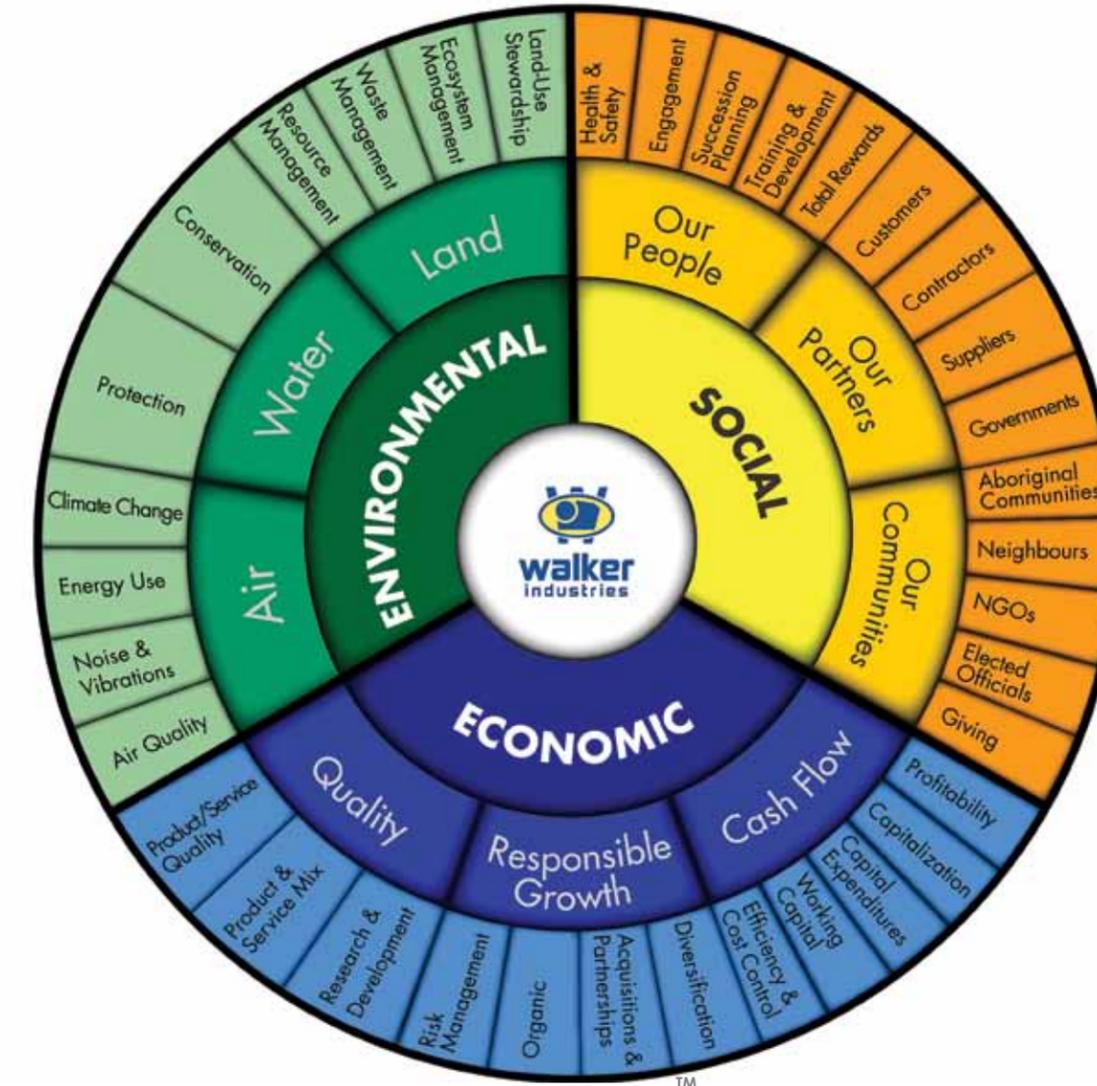


John Fisher

“When we begin listening to each other, and when we talk about things that matter to us, the world begins to change.”
~ Margaret Wheatley

Sustainability

Meeting today's needs without compromising the needs of future generations.





Dedicated to
Tomorrow's Generations

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2013 Sustainability Highlights

At Walker Industries we have practiced sustainability for many years by taking a long-term view in our decision making. We invite you to explore our first sustainability report and discover for yourself what we've been doing in 2013 to help create a more sustainable future.

Social

We have a long history of supporting our people and our communities. Our people create who we are. They are committed to what they do and pride themselves in being part of an organization that makes a difference. When employees join Walker Industries they stay for the long term. Our average length of service is 20 years. Our turnover rate is less than half the Canadian rate. We support our employees with our superior safety culture, our wellness program and training. We are proud to have industry leaders as part of our team.

Our People

- Learn more about our two employees with 42 years of service - p.14
- Shardai Konig was the winner of the Walker Shareholder Scholarship - p.15
- Dave Braniff was recognized by his peers and awarded our Superior Safety Culture Award for championing safety in his work place - p.16
- Mark Cosby won an award from the Ontario Hot Mix Producer's Association for his contribution to the industry - p.17

Our Partners

- Working with Haldimand County to use alternative paving technologies, we conserved aggregate and saved energy - p.18
- Our partnership with Energy Ottawa at Moose Creek resulted in another successful landfill gas-to-energy project - p.19
- Providing real world project experience to Niagara College students has resulted in a win for the environment and for the City of Thorold - p.19
- A simple phone call from a community member resulted in less toys to landfill, a new business venture and a lot of happy children - p.19

2013 Lost Time Injury Frequency for Walker Emulsions, Aggregates and Environmental: Zero

Together We Can p.20

Our employee giving committee – Together We Can – was busy in the community:

- TWC supported the Woodend Environmental Centre, the Johnson Creek Watershed Council and local food banks.
- Our community garden at our Head Office complex donated 365 pounds of fresh produce to Community Care.
- Our compost and mulch was used to improve the nesting sites of snapping turtles.

283,888
Tonnes of Waste
Diverted from
Landfill*

Environment

We grow and inspire outstanding environmental performers. In 2013, we celebrated ten years of our EARTH 1st program, which teaches that what we do to the environment we do to ourselves. Our employees have been taking action to support the environment through the EARTH 1st principles both at work and at home for more than ten years.

- Walker Brothers Quarries worked on a climate adaptation plan - p.26
- Severn Quarry focused on dust control - p.27
- Vineland Quarry adapted their operations to protect the barn swallow - p.27
- Walker Environmental Group (WEG) launched a Carbon Neutral Service in 2013, allowing us to apply more than 12 years of experience providing carbon offsets - p.29
- Annually we calculate our water footprint. Those calculations motivated both Walker Emulsions and Edgar Pit to take action to reduce their water footprints - p.31
- We are progressively rehabilitating our Vineland Quarry into a vineyard. In 2013, we focused on improving yield - p.32
- Our biosolids management helped reclaim Pennsylvania mines as wildlife habitat - p.33
- We were recognized as an industry leader by the Species at Risk Program Advisory Committee for our support of the Ontario Badger Recovery Team - p.33

Business Milestones p.38

- Approval of the Duntroon Quarry expansion.
- Submission of the Environmental Assessment Terms of Reference for the Southwestern Landfill proposal.
- Purchase of Organic Resource Management Inc.
- The work of Walker Emulsions to improve the security of their supply chain and create sustainable emulsions.

Our Carbon Footprint p.34

- In 2010 we challenged our Carbon Action Team to calculate our Carbon Footprint.
- We first calculated it in 2012 and we have been fine tuning it ever since.
- A lot of work was done this year to provide our 2013 carbon footprint.
- This year we created a position dedicated to energy measurement to take our energy management to a new level - p.26

99,336,470 kilowatt
hours of green
energy to the grid,
power for > 8,278
homes

Economy p.35-37

Our business is the environment and the environment is our business. Our operations provide the resources for roads and infrastructure construction and maintenance; the caretaking of other people's inefficiencies through landfill; the diversion of organics, asphalt and concrete; and emulsions for road resurfacing, manufactured wood products, packaging and fiberglass manufacturing.

- 99,336,470 kWh of green energy exported to the electrical grid through various Walker Environmental Operations – enough energy to power more than 8,275 homes
- \$1,659,309 in municipal property taxes paid
- \$756,866 paid to host municipalities and the Province of Ontario in aggregate levy
- \$346,083 given by the company in support of our communities
- \$1,034,099 Host Community Fees for landfilling

Our Locations

Walker Aggregates and Construction

- ▲ Quarry
- Pit
- Contracting

Walker Emulsions

- Plant

Walker Environmental

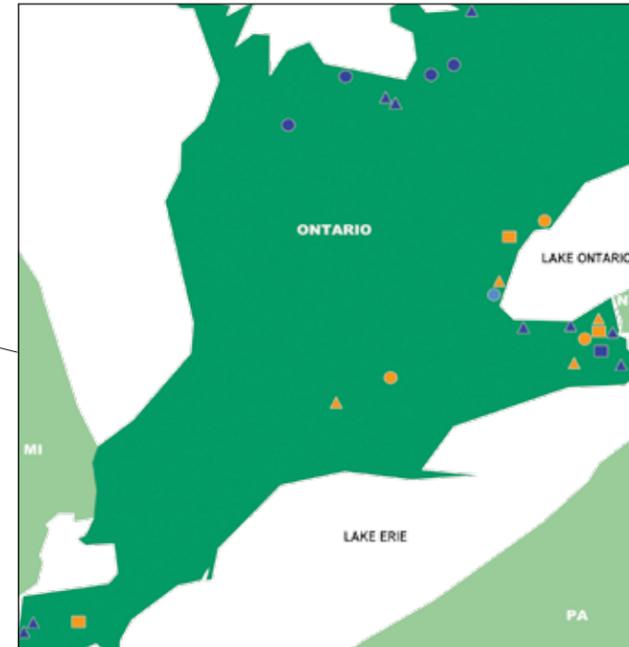
- ▲ Waste Operations
- Organics Operations
- IGRS Operations



About Walker Industries

We are a fifth generation family owned company headquartered in Niagara Falls, Ontario, Canada. We are organized into three distinct divisions – Aggregates and Construction, Emulsions and Environmental Solutions. We have a strong reputation for integrity and advanced solutions and take a generational view in business planning.

We are a company dedicated to the environment, community and safety of our employees. Over the years, we have kept pace with the changing markets and we will continue to combine traditional values with progressive concepts to meet new and exciting challenges.



Walker Aggregates and Norjohn Contracting

Walker Aggregates (WAI) offers a full range of crushed limestone, sand & gravel products supplying the asphalt, concrete, construction and landscaping needs of Southern Ontario. Our aggregate products support the infrastructure needs of our communities and beyond.

Mission: Be a prominent, forward thinking aggregate company providing high quality materials and services.

We participate in the circular economy by recycling asphalt and concrete at several of our locations.

Norjohn Contracting and Paving (NJC) provides the public and private sectors with pavement preservation strategies that maintain quality roadways sustainably. Pavement preservation is a proactive strategy for extending the life of our road networks while they are still in good condition. It reduces energy use, non-renewable resource consumption and green house gas (GHG) emissions. We also provide underground servicing, site development and traditional road reconstruction services.

Walker Emulsions

Walker Emulsions provides both wax and asphalt emulsions and specialty chemicals to a variety of industries and municipalities across North America. Less dependency on fossil fuels is a business imperative for our Emulsion Division. This means driving innovation higher and faster. In the last five

Mission: High quality formulated products manufacturer, providing innovative solutions to our customers.

years we have developed and patented a range of alternative chemistry – bio-based emulsions and defoamers – derived from sustainable raw materials. We are committed to value added customer service and consistent top quality products.

Walker Environmental

Walker Environmental Group provides perpetual care for society's inefficiencies, supplying customers with safe disposal options for their solid non-hazardous wastes. Our facilities are designed and operated to provide reliable disposal services while protecting our environment

Mission: We are a leading waste management company.

and preserving the character of our local communities. At Walker Environmental Group, we mimic nature's cyclical approach by creating a web of interdependent relationships that harvest and transform resources for maximum value by providing organics management, harnessing and supplying renewable energy and offering our Carbon Neutral Service.

Legacy Statement

Over the past few years Walker Industries has experienced tremendous growth and change. The changes are important in shaping our future and seeking sustainability for our business by creating a stronger more diverse organization that can better support and grow our customer base. Since 2011 we have acquired four companies, expanded our geographic reach, added 157 members to our team and nine locations to our operations. The challenge with any type of growth and change is to maintain and build on what has made us successful – our value principles – and engage all members of our companies in creating the experience

that has defined the company since its inception.

In July 2013, the seven members of the executive committee took time in nature to reflect on their experience with Walker Industries and the legacy that they wished to leave. The team was challenged to define the company's legacy in seven words or less. What resulted is our legacy statement:

above & beyond
integrity • care • creativity

The purpose of the statement is to align each employee with the company values and to nurture a sense of belonging. Each employee is what makes Walker Industries "Above & Beyond." While this notion has always been inherent in how we work, by defining the legacy statement we can each purposefully create this experience in all our interactions.



Values Based Culture

We firmly believe that to continue to grow and prosper we must remain true to the values upon which the company was founded. In the early 2000s, as the company transitioned from a family owned and managed business to a professionally managed business, we took time to carefully reflect upon and document the value principles that have guided us since 1887.

Our value principles form the foundation for how we conduct ourselves and for how we make decisions. They create alignment in our organization that allows us to speak a common language and share common goals. It is our value principles that will allow us to continue to chart a clear direction and shape our future.

Our Value Principles

Safe, Healthy and Profitable: We will maintain a safe, healthy and profitable workplace.

High Performance Employees: We are committed to an environment that attracts, motivates and recognizes high performance people.

Customers and Suppliers: We place a high value on customers and suppliers.

Community: We support the needs of our community.

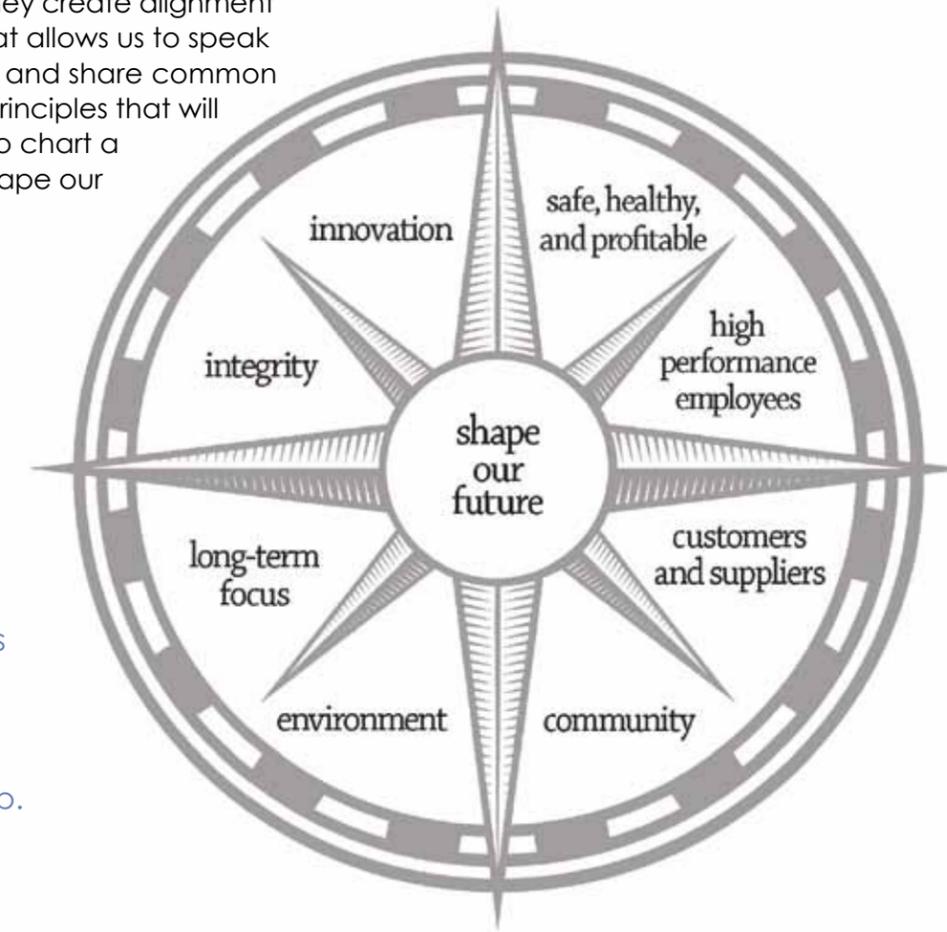
Environment: We practice exemplary environmental leadership.

Long-term Focus: We maintain a long-term focus seeking sustainability for our business.

Integrity: We practice integrity in all matters.

Innovation: We innovate and continually improve our business.

Shape Our Future: We embrace a willingness to shape our future.



Our Company's value principles guide us still, with clarity and determination – the source of our enduring success.

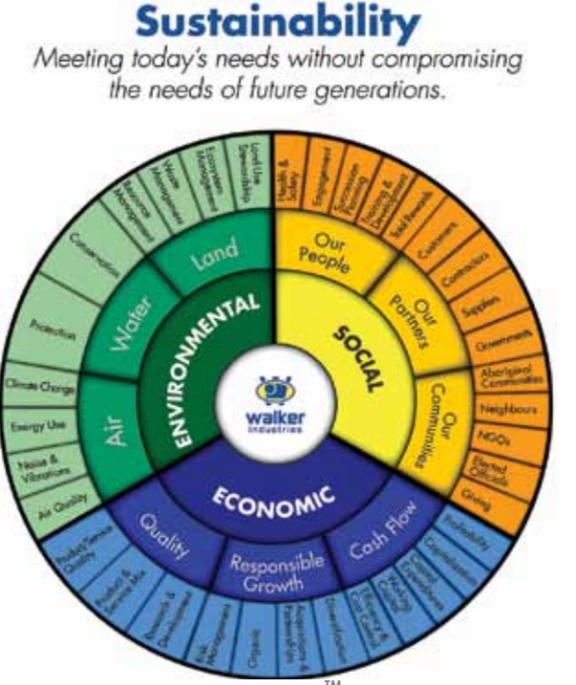
Our Sustainability Goals

- ✓ Grow and strengthen our company
- ✓ Focus on sustainable energy management (conservation, wise use and renewable energy sources)
- ✓ Grow our waste diversion businesses
- ✓ Increase the percentage of revenue from innovative sustainable products and services
- ✓ Nurture a sense of belonging
- ✓ Publish an Annual Sustainability Report



SEE Model

The Walker Sustainability, or SEE Model, was introduced in 2012 to integrate sustainability into our business practices. The SEE Model provides a lens for us to reflect on the Social, Environmental and Economic aspects of our business decisions. It is our way of meeting today's needs without compromising the needs of future generations. It brings the value principles to life by providing a framework for decision making, risk assessment and strategic planning.



The company has been built on the principle of supporting the needs of our communities and our people.

Social

We cannot seek achievement for ourselves and forget about progress and prosperity for our community . . . Our ambitions must be broad enough to include the aspirations and needs of others, for their sakes and for our own. ~ Cesar Chavez

We work together to foster a healthy, positive and respectful workplace that motivates and recognizes high performance people. We encourage innovative ideas by engaging, empowering and appreciating our employees, promoting their growth and development and working to create a sense of belonging. The health, wellness and safety of our employees are paramount. Since 1887, we have contributed to the social and economic development of our communities. We see that our success requires that we help our communities thrive.



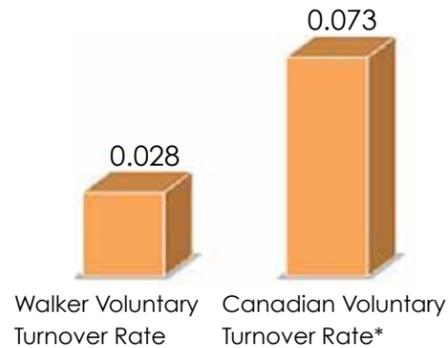
Our People

Average length of service: **10** years

Number of employees over 20 years of service: **81**

Number of Employees at End of 2013	
Aggregates and Construction	238
Emulsions	42
Environmental	206
Corporate Services	52
Total	538

Voluntary Turnover Rate

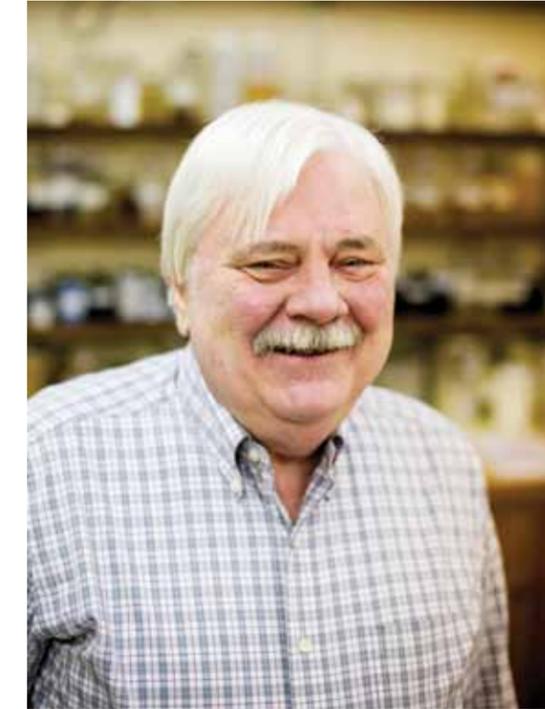


*Conference Board of Canada 2012-2013

“I was always proud to work for an organization where people are always willing to help, where the company is always advancing and looking for ways of improving.”
- David Martin

Douglas Smalley – 42 years of service

Doug Smalley started in Portland as a chemical mixer in 1971. After 11 months on the job he was promoted to chemist allowing him to apply his college education. In 1972, he formulated the first pumpable water based defoamer for the pulp and paper industry, a product that is still sold today. Doug has worked through five ownership changes. Why did Doug stay in one place for so long? Because, “it’s actually fun to start with a blank sheet of paper and end up with a product that has value to the company.” His current focus is working to produce many of our emulsions products in Portland in the role of Research and Development Chemist.



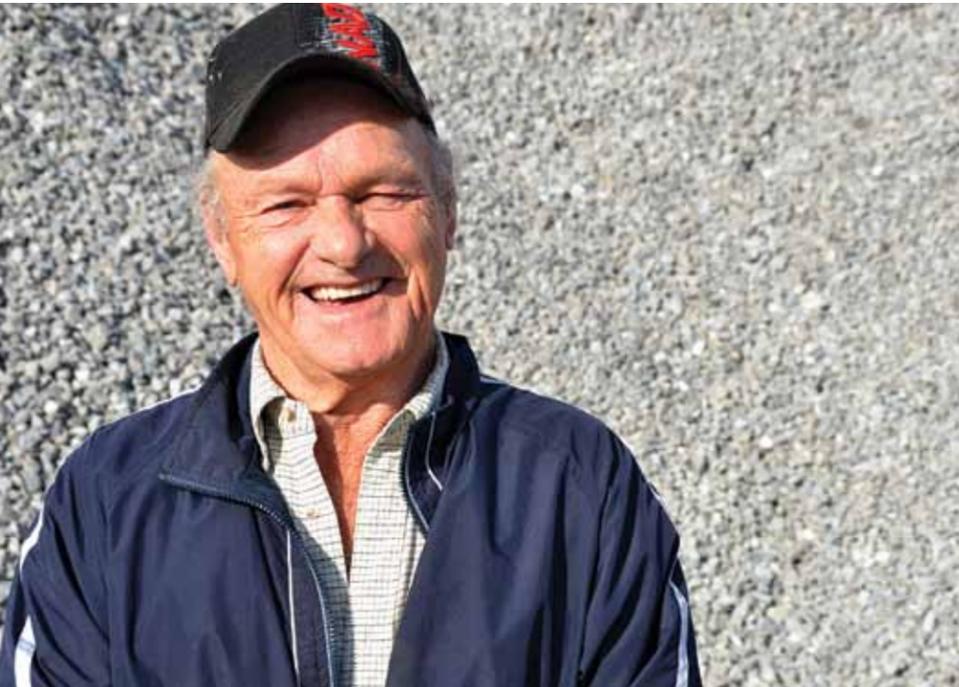
Training Hours:
7,356.5*

Walker Shareholder Scholarship

Shardai Konig, the daughter of Robert Konig, a Paving Supervisor for Norjohn Contracting and Paving, was the 2013 Walker Shareholder Scholarship recipient. The shareholders awarded Shardai \$10,000 per year for four years at university.



Shardai settled on a double major – Sociology and Women and Gender Studies at Wilfrid Laurier University in Waterloo, Ontario. Her plan is to complete her four year degree and then pursue Human Resources certification at college. “The scholarship reduced my stress level. Unlike my friends I didn’t have to worry about how to pay for things and could focus on learning,” shared Shardai. “The university experience not only taught me to study more effectively, it has also taught me to be responsible for myself, to take initiative and to live in close quarters with someone else.”



David Martin – 42 years of service

“Never in my 42 years of working at Vineland Quarry did I ever say I didn’t want to go to work. I always knew I would have a really good laugh or give someone else a laugh. There are a unique bunch of people here.” David Martin joined that unique bunch of people on April 12, 1971. He was just stopping by Vineland Quarry to visit friends when he was asked by the site superintendent if he could work that day as they were two guys short and Dave never left. Why did he stay? “I would hear so much about what the Walker family does for the community. It makes you feel good. At times I would question why they would want to do some things and then once the change was made I could see why.” Dave won the “Get the Static Out” contest in 2008, cutting his home electricity use by over 50 percent, for which he was awarded \$3,000. Dave is retiring in 2014 and looking forward to spending more time with his family, especially his grandchildren Lillian and Ethan.

Wellness

At Walker, we recognize the benefits of a healthy workforce and promote an active lifestyle for our employees. The Walker Wellness program provides a physical wellness subsidy of up to \$200 a year to employees who participate in fitness-related activities and programs. A total of 167 employees participated in the wellness subsidy program in 2013.



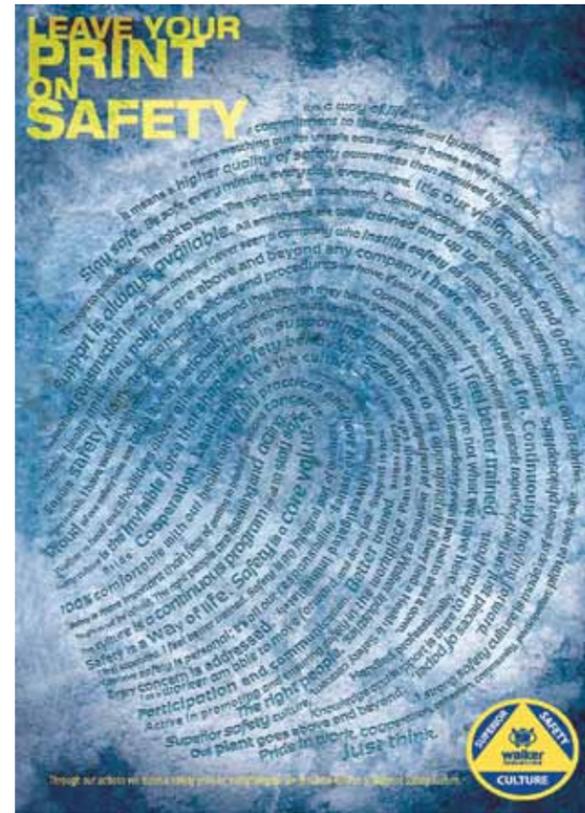
*not including Organic Resource

Health and Safety

Our Superior Safety Culture engages everybody in the safety process. There is no hierarchy; everyone has a vested interest in making sure the workplace is safe. The culture is "performance" based and deeply rooted. It instills Pride in Work, Cooperation, Cohesion, Communication, Participation, Planning to Work Safe and "Just Think"! We challenge each of our employees to leave their print on safety.

Our vision is that every worker should go home safe and healthy every day. We strive for zero injury – zero harm! At Walker Industries we live and breathe this vision.

It takes each employee to plan, think, cooperate, communicate and participate for every worker to stay healthy and go home safely every day.



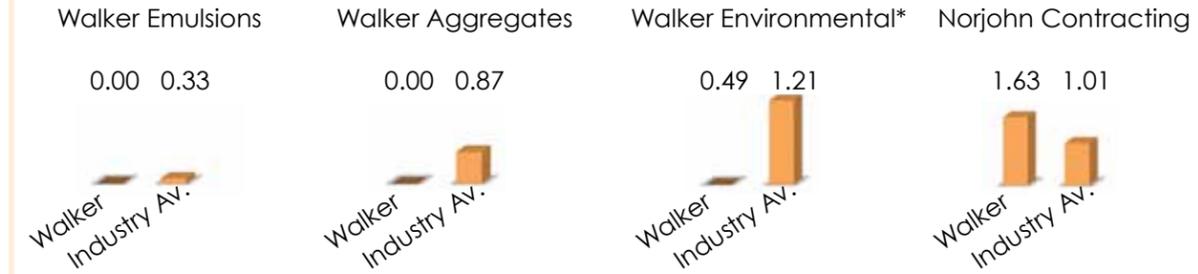
Superior Safety Culture Award

Dave Braniff, a Mechanic Helper and a member of our Walker Brothers Quarries Joint Health and Safety Committee and Emergency Response Team, was recognized by his colleagues as this year's superior safety culture champion. Dave established a system to maintain the shoring device for stockpile rescue and ensure the equipment was more accessible and ready for easy access in an emergency situation. He established a safety harness cabinet and logging system that ensures harnesses are signed out, returned and stored in an accessible manner. Dave is quick to share his safety knowledge with his team, ensuring they have the right personal protective gear for the job.

"Safety is important because what happens to one person here at Walker Industries happens to us all."

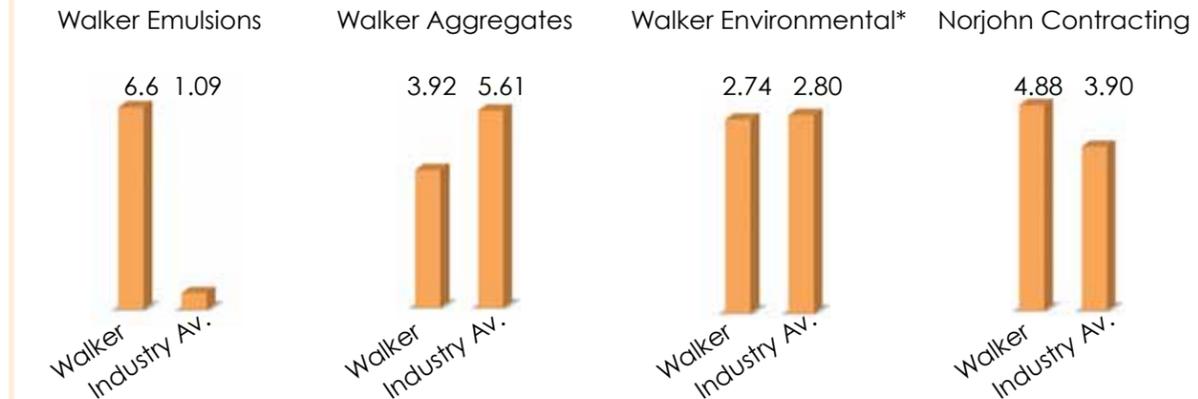
The winner of the safety award gets \$500 to donate to the charity of their choice. Dave chose the Crohn's and Colitis Foundation.

Lost Time Injury Frequency Rates



2013 Lost Time Injury Frequency for Walker Emulsions, Aggregates and Environmental: Zero

Non Loss Time Injury Frequency Rates



*average of all rate groups

Bleed Black Award

Mark Cosby received the Ontario Hot Mix Producers Association's inaugural "Bleed Black" Award on December 11, 2013 for his passion and commitment to the hot mix asphalt industry. Mark has been our Vineland Asphalt Plant Foreman for five years. His focus was to update a newly purchased hot mix plant and make it more efficient. With his 25 years in the industry Mark has been involved in many innovations, not the least of which were the trials of warm mix asphalt with the City of Hamilton. Warm mix runs at a lower temperature reducing gas consumption and emissions. "Mark's education combined with his quality control experience makes him an extraordinary Foreman," shared Ken Lucyshyn, Executive VP, WAI. These days Mark enjoys passing on his passion and values to the next generation.



Our Partners

Norjohn Contracting and Paving and Haldimand County

Alternative Paving Methods

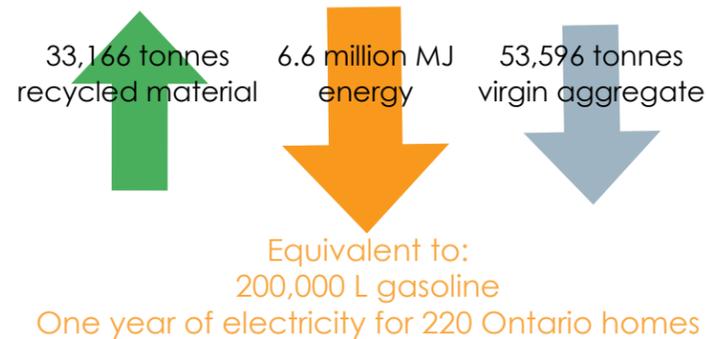
For the past three years, Norjohn Contracting and Paving has been working with Haldimand County in an effort to introduce new technologies that include sustainable paving methods. In 2013, this cooperation culminated with road improvements projects including conversion of 129,000 square metres of gravel roads to paved surface and re-surfacing of 75,000 square metres of paved roads, equivalent to about 30 kilometres of road.

One of the alternative paving materials that we employ is Cold Recycled Mix (CRM), which uses 100% Recycled Asphalt Pavement (RAP) rather than virgin aggregate material. We conserved over 53,000 tonnes of virgin aggregate during the 2013 paving program in Haldimand County.

By conserving raw materials and using more recycled content, we can conserve non-renewable resources, and significantly decrease energy requirements. By using asphalt emulsion rather than traditional hot mix asphalt, we produced fewer emissions during the paving process, and saved an estimated 6.6 million megajoules of energy.



On the 2013 project alone, we saved an estimated 6.6 million megajoules of energy, equivalent to 200,000 litres of gasoline or one year of electricity for approximately 220 Ontario homes.



We have found power in partnerships.



Integrated Gas Recovery Services and Energy Ottawa Inc.

Moose Creek Landfill Gas-to-Energy

The Moose Creek Energy 4.2 megawatt landfill gas-to-energy plant at LaFleche Environmental Inc., in Moose Creek, Ontario, officially opened in June 2013. Moose Creek Energy is a limited partnership owned by Energy Ottawa Inc. and Integrated Gas Recovery Services Inc. (IGRS). IGRS is a partnership between Comcor Environmental Limited and Walker Environmental Group. IGRS develops landfill gas utilization and control projects across Canada to produce both renewable energy in the form of heat used by local industries and electricity that is fed into the local grid.

The four engines in the plant each consume approximately 350 cubic feet per minute of landfill gas to produce the 4.2 Megawatts of renewable electricity.

The facility generates enough green energy to power approximately

4,000 homes and prevent 100,000 tonnes of greenhouse gas emissions each year.



WEG and Niagara College

Rice Road Wetland Restoration

In 2005, WEG assisted the City of Thorold with a nature-inspired solution to rehabilitate an old closed landfill by constructing an engineered wetland. The wetland is effective at treating impacted storm water drainage from the landfill. Weather and human impacts affected the health of the wetland. As the City's stewards of the site, we looked for a way to rehabilitate the wetland and control costs for the City. We turned to Niagara College's Ecosystem Restoration students who had the knowledge to apply to this real world project. We hired interns who designed plans to minimize ATV traffic, raised awareness of the wetland's importance through signage, and controlled invasive species using solarization – the application of black polyethylene sheets that heat the soil and prevent photosynthesis. The result: a healthy wetland treatment system, a better educated public and valuable work experience for the students.



WEG's Niagara Public Drop-Off and the Toy Doctor

It started with a simple phone call from Christine Dernerderlanden, a community member, and is developing into a new business venture. Christine and her family have always dreamed of owning a toy store and they knew they had to take a different approach to compete with the larger box stores.

We had what the family needed – toys. We separate waste toys at our Walker Environmental Group's Niagara public drop-off facility for the Dernerderlandens. They pick up the toys, restore, sanitize, repair and repaint them. The healed pre-loved toys are then repackaged to look like new and sold. A third of the toys are returned to the shelf, a third are donated to charities and a third are used for parts or given to the general public at no charge. Christine's idea continues to grow. For more information please visit www.drdthetoydoctor.com.



Our Communities

Together We Can

Together We Can (TWC) is an employee giving committee that is run by our employees. Together We Can identifies projects to partner with to help build our communities by raising money and volunteering our time and skills.



Niagara

Woodend Environmental Centre

Woodend Environmental Centre, operated by the District School Board of Niagara, is a neighbour to our Niagara campus of businesses. It is transforming and sustainably expanding the current facilities to create the Walker Living Campus, a natural fit for TWC's support. The Living Campus will host programs for children to explore, discover and build connections to the Earth. Over the years, we have regularly donated our equipment and people to grade the access road to the site when it gets too bumpy for the school buses.

In 2013, 16 volunteers from our Niagara and Burlington operations helped to paint and maintain the Thompson House and gardens – a historic building that will remain as the area around it transforms over the next several years.

Big Move Cancer Ride

For the fifth year in a row a group of passionate cyclists from Walker Industries participated in the Big Move Cancer Ride to help raise funds in support of equipment and services for the Walker Family Cancer Centre in St. Catharines, Ontario. We have raised over \$340,000 for the cancer centre over the last five years through raffles, barbecues, car washes and sponsorships.



Portland

Johnson Creek Clean-up

Our Walker Emulsions plant in Portland, Oregon, is located next to Johnson Creek. The Johnson Creek Watershed Council (JCWC) was formed in 1995 to protect the creek and its watershed. Stormwater from the plant discharges to the creek. Supporting the efforts of the Watershed Council is a way to give back. In August 2013, we helped clean up the creek. We removed garbage and pulled invasive plants – English Ivy and blackberry bushes – from an area of the creek, and donated funds to help create an interpretive boardwalk to border the Creek.



Simcoe

Tons of Tins Challenge

Our Simcoe County employees supported their local food banks. The Tons of Tins Challenge created a little healthy competition in support of the Elmvale and Stayner Clearview food banks and the Orillia Sharing Place. Duntroon Quarry was the winner of the competition, tipping the scales with the help of Toppling Farms' skid of potatoes and Ice River Springs' skid of water winning \$100 to donate to the Stayner Clearview food bank. A total of 6,162 pounds of food and water was donated as a result of the challenge. To continue their partnership with Orillia Sharing Place, Severn Quarry joined the delivery team. Every month they transport food and milk from Barrie's food bank distribution hub to Orillia Sharing Place. Our volunteers continued their food bank support by collecting donations at the Elmvale Fall Fair and Christmas parades.



Niagara Campus and Community Gardens

The Walker EARTH 1st program encourages crazy ideas. What started out as a submission to our crazy ideas contest in 2011 has become routine at our Niagara Campus. Leah Furey's passion for gardening inspired other budding gardeners to grow a community garden with Greening Niagara.

Greening Niagara provides eco-education and actions to improve resilience in Niagara. We have supported Greening Niagara's work in the Region by providing compost and mulch to support 20 more of their community gardens as well as assisting the organization with strategic planning.

In 2013, we donated 365 pounds of fresh produce from our garden to Community Care – one of Niagara's food banks. Leah feels that "the garden helped to teach sustainable growing, healthy eating and the importance of working together to reap rewards."



Snapping Turtle Habitat

Our donated compost and mulch helped the L3K Wildlife Habitat Restoration Project improve Snapping Turtle nesting areas in Wainfleet, Ontario. During years of drought, the soil becomes very hard and this makes it difficult for the female snapping turtles to dig down and bury their eggs. The shallow nests are then easily detected by raccoons, skunks, herons, snakes and possums. Predator populations are soaring, while snapping turtles are designated as a "species of special concern" under the Endangered Species Act. Our mulch and compost allows the snapping turtles to bury their eggs. The eggs laid in these protected nests in the spring successfully hatched during the first week of September, yielding many fine young turtles.



Atlas Landfill Project

WEG and the City of Welland

What started as an environmental liability for the City of Welland has transformed into a win for the environment, the community and for Walker Environmental Group. Dating back over 70 years, the Atlas Landfill had a checkered past of insufficient environmental controls, lack of ownership and impacts to the Welland River. We approached Welland with an idea for remediating the site at no cost to the City. We conducted an Environmental Screening to install and maintain the necessary environmental controls, re-open the site and fill it to its approved capacity with non-hazardous solid waste – mainly soils from Brownfield sites.

We are responsible for all approvals, compliance, engineering and operating activities at the site. The City owns the site and will be responsible for the post closure care of the site once operations are completed. Revenue from waste receipts has funded the remediation measures at the site, provides a post closure care fund and lease and royalty revenues to the City to support sports, recreation, arts and culture infrastructure in the City.

To the end of 2013, the lease and royalty payments have directed \$1,248,587 to nine community projects. The Welland community now enjoys a new community park building, a pool, upgrades to several parks, an arena upgrade and an 1812 Peace Garden – all from a public/private partnership aimed at solving an environmental problem. Through the partnership with us, what was once a significant liability for the City has been transformed to a community benefit. In total the City will realize about \$4.5 million over the seven-to-ten years the site will operate.

Community Projects Funded to Date

Chippawa Park Community Building	437,500
Memorial Park Pool	397,000
Leash Free Dog Park	115,000
Hooker Street Playground	100,000
Youth Arena Upgrades	90,000
Burger Park Infield Rebuild	40,000
1812 Peace Garden	39,087
Chippawa Park Beach Volleyball Courts	20,000
Glenwood Park Swings	10,000

TOTAL **\$ 1,248,587**



We grow
and inspire
outstanding
environmental
performers.

Environment

The greatest danger for most of us is not that our aim is too high and we miss it, but that it is too low and we reach it. ~ Michelangelo

We grow and inspire outstanding environmental performers. Our EARTH 1st program provides a clear, concise, positive message that is embraced by our employees. EARTH 1st acknowledges that as a company and as individuals we are part of the environment. Every step that we take to create a healthy environment is a step towards creating a healthy self, a healthy community and a sustainable future. EARTH 1st empowers our employees to commit, create and participate to improve our environmental performance.

Air

Energy Focus

2013 marks a significant change in our approach to energy. We are both consumers and suppliers in the energy market, which makes us unique. Where we source and how we use energy determines our environmental impacts and our competitiveness.

We are compelled to actively manage our energy resources to capture energy savings and reduce our carbon footprint. In the past we have addressed energy as individual projects. The time has come to look at energy from a corporate perspective. To take the time to

understand and see how energy moves through our operations, to make real time adjustments and look for innovative ways to use energy more effectively.

In 2013, we created a position with the responsibility to review existing energy metering and expand our system of measurement to collect the data we need to make smart energy choices. We want our operators to have the energy consumption information they need to make real time production choices to reduce our reliance on energy.



Climate Adaptation Planning at Walker Brothers Quarries

A group of dedicated volunteers from Walker Brothers Quarries assessed the potential effects of climate change on operations and created an adaptation plan to minimize risks and maximize opportunities using the SEE model. The group identified the risks and opportunities - based on projected changes - rated the probability and severity of each and identified actions that would minimize risk and maximize opportunities.

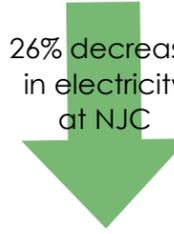
Major concerns the group identified were loss of production and rehabilitation challenges from extreme weather and power outages, health and safety impacts from severe heat and increased freeze thaw events and the potential for more dust in drier summers. The major actions recommended included the following:

- Upgrade water management system to address extreme weather
- Research alternative dust management for use in dry summer months
- Assess the feasibility of flexible operating hours/shut downs
- Plan for extreme weather conditions
- Research sustainable options for plant & equipment management

Lighting Upgrades at Norjohn Contracting, Head Office and Niagara Biosolids

The shop at Norjohn Contracting and Paving (NJC) received a lighting upgrade including more efficient fixtures and bulbs, and motion-sensors. 2013, the first full year with the new lighting system, showed a 26% decrease in electricity, which reduces the carbon footprint of the operation and lowers electricity costs.

26% decrease in electricity at NJC



8,500 watt reduction at Niagara Biosolids



Niagara Biosolids replaced twenty-two 440 watt and six 1,000 watt lamps with newer 216 and 324 watt models, reducing our total wattage from

15,000 to 6,500. The new lamps are brighter and provide more natural light than the originals. They are also instant on, without the warm-up period of the old lights. The lights are now also better positioned for working and are equipped with motion sensors. Hydro One's Equipment Replacement Incentive initiative covered approximately 80% of the capital cost.

We improved outdoor lighting at our Head Office complex to LED, reducing wattage and increasing luminescence.

450 watt reduction at Head Office



Dust Control at Severn Quarries

Dust control has been a focus for our Severn team. In 2012, the four impact crushers were our first target. We covered them and sealed the belts so that air from the crushers could be directed to a baghouse system to remove dust from the air. In addition to addressing health, safety and environmental issues, the result was a saleable product – agricultural lime. We weren't finished there. In 2013, we covered screen decks and elevated conveyors, reducing the need to access elevated belts. With the help of local contractor – Nor-Weld Ltd. – we created a unique galvanized conveyor cover design that is one piece, rather than the usual two pieces, with pins to keep them in place. We fabricated the screen deck covers with galvanized steel covers because they won't rust, will last longer and are more aesthetically pleasing. We reused conveyor belting as part of the screen deck covers. The project made the plant more efficient. In the winter months we need less effort to clear the plant of snow and that means less downtime.

Roger McGillvray, Superintendent of the Severn Quarry, has farming roots. Farmers are caretakers of the land and he applies that philosophy to his work and mentors his team to feel the same way.

Barn Swallow Habitat Protection at Vineland Quarries

Barn swallows are protected under the Migratory Birds Convention Act, 1994, which prohibits disturbing the birds and their nesting sites. Their preferred nesting locations are stream banks but stockpiles and extraction faces of pits and quarries can provide suitable nesting sites for the swallows. Excavation or construction during the spring and summer can inadvertently kill barn swallows or negatively impact their nesting success. To do our part in protecting nesting sites, we posted signs at Vineland Quarry indicating the presence of the birds and their burrows, reminding people not to disturb these areas. By preserving areas of preferred habitat, we prevented the nesting sites from being disturbed and allowed operations to continue uninterrupted.



Green Energy Data

We harness the power of renewable energy. At our landfills in Niagara Falls we turn an environmental liability into a renewable energy asset. We collected and processed 1,233,079 gigajoules (GJ) of landfill gas in 2013 that was used directly by a local industry, fed into the local electricity grid or flared. Through all our landfill gas projects and our Organic Resource feedstock we created 99,336,470 kilowatt hours of green energy for the grid.

Green Energy Production	Electricity exported to Grid - kWh
WEG Landfills NF	6,865,259
Partnership Landfills	85,866,924
Organic Resource	6,604,287
Total	99,336,470



We created
99,336,470
 kilowatt hours
 of green energy
 for the grid -
 enough to power
 more than **8,278**
 homes.

WEG's Carbon Neutral Service

With over 12 years of offering renewable energy and verified carbon offsets to satisfied customers, we are branching out. Building on the ideas and successes of EARTH 1st and grown out of our renewable energy business, we have developed the Carbon Neutral Service to assist organizations in measuring, reducing and offsetting their carbon footprint.

WEG created our Carbon Neutral Service with the vision of making sustainable building operations more accessible and practical for small to medium-sized businesses and organizations. These carbon neutral achievements were the first of their kind in the Niagara Region and continue to help increase public understanding and awareness of the importance of managing the business communities' carbon footprint.

Connection with Niagara College

WEG and Niagara College Canada have worked closely through our Carbon Neutral Service to achieve Carbonzero Certified™ status for both their Wine Visitor Education Centre and Technology Centre. This effort is part of Niagara College Canada's ongoing commitment to incorporate environmental sustainability into its operations. Not only did the facilities become more efficient, but WEG and the College also found ways to engage students from Niagara College Canada's environmental programs, providing critical learning opportunities and valuable industry experience. Students develop a connection to the environment and a sense of ownership as they find ways to reduce the operational impact of the facilities through energy efficiency improvements and conservation.

At work making our
 EARTH 1st celebration
 carbon neutral.



WEG has offered
 renewable
 energy and
 verified carbon
 offsets for
 over 12 years.

Water Footprint

We began calculating our Water Footprint in 2010. By quantifying and understanding our Water Footprint, we are developing meaningful water management strategies, setting goals for water reduction, and ultimately quantifying these reductions.

Notable Reductions from 2010 Baseline



- 48% REDUCTION** Norjohn Contracting & Paving high efficiency, company-owned water truck
- 39% REDUCTION** Head Office installation of high efficiency plumbing fixtures
- 20% REDUCTION** Norjohn Transfer Station upgrade of plumbing fixtures, including waterless urinals
- 20% REDUCTION** WEG Office & Woodington installation of high efficiency plumbing fixtures
- 13% REDUCTION** Walker Emulsions Burlington cooling water reclamation for use in product

Water Footprints	Green m ³	Blue m ³	Total m ³
WAI/NJC	33,403	4,442,720	4,476,123
Emulsions	-	25,748	25,748
WEG*	417,457	41,996	459,453
Head Office	-	447	447
Total	450,860	4,510,911	4,961,771

***Blue Water Footprint:** Volume of surface and groundwater consumed as a result of the production of a good or service. Consumption refers to the volume of freshwater used and then evaporated or incorporated into a product. It is the amount of water abstracted from groundwater or surface water that does not return to the catchment from which it was withdrawn.*

***Green Water Footprint:** Volume of rainwater consumed during the production process.*
 – Water Footprint Network

*Organic Resource not included



Closing the Water Loop at Walker Emulsions Burlington

It takes a lot of water to run the emulsions plant at Walker Emulsions in Burlington, Ontario. Water forms part of the product in wax and asphalt emulsions, and cools heat exchangers, resulting in water that is too hot to be recirculated. In the past we discharged this water to the sewer system as waste.

Seeing an opportunity to reduce our water footprint, we installed a five-way valve and modified some existing storage tanks. Water from the heat exchangers is now pumped into storage tanks, where it is stored until it can be used in the asphalt emulsion production process.

The fact that the water is already heated is a bonus because the product is made at a high temperature. The changes decreased water demand from the city and decreased waste water to the sewer. We also improved our sewer rebate by carefully tracking water at the plant and providing that information to the Region of Halton.

Edgar Pit

Our large settling pond prevented access to approximately 1.5 million tonnes of aggregate resource. Rather than just moving the pond, we took time to define the problem completely: the pond was not designed for efficient clean-out, it was not easy to access for maintenance and monitoring, and its steep angles presented a health and safety concern.

The solution was multifaceted. We lined the pond with clay, changed the pump and the slurry box, replaced the wash plant and placed it on concrete, and made changes to the sluiceway. We made the pond clean-out more efficient by making it part of daily operations rather than a once per year maintenance project. One of the haul trucks now moves fines to the progressive rehabilitation area when it is not moving stone.

In 2013, the team also focused on water loss from the agricultural irrigation piping that carried water from the groundwater well to the wash plant. Data, from a meter we installed on Earth Day to measure water flows, showed the water loss in the pipe to be 27 percent. That translates to approximately 276,480 litres of water loss per day. We replaced the irrigation pipe with HDP plastic piping, which improved the efficiency and performance of the well pump by reducing friction loss within the system, extracting an additional 6.0 litres per second of water without any additional energy effort and eliminating the water loss. We began to experiment with pump run time as well. The pump now runs four hours less a day, and we installed an automatic timer on the well pump to take advantage of off-peak energy rates.

Rick Laws, Quarry Superintendent, managed the project, taking a Lean Six Sigma approach – Define, Measure, Analyze, Improve and Control – and achieving his green belt certification in the process.



Land

Total Hectares of Farm, Conservation, and Managed Forest Owned by Walker Industries:

Land Use	Hectares
Total Farmed Land	802.51
Total Conservation Land	166.80
Total Managed Forest	102.86
Total	1072.17

Vineland Quarries: Edgerock Vineyard Improvements

2013 was a big year for Edgerock Vineyard, our innovative rehabilitation of our Vineland Quarries. Glen Elgin Vineyard Management is assisting us to create a thriving and sustainable operation. By improving soil quality, planting new vines and repairing the trickle irrigation system, a total of 56.6 tonnes of grapes were harvested in 2013, a significant increase in yield from prior years.

Each wine maker has unique needs that we must understand to provide them with the premium fruit for their wine-making process. Establishing these relationships prior to harvesting is key. When wine makers visit the site they get excited by the south facing slope. It provides the vines and fruit optimal sun exposure throughout the day and is unique in the Niagara Region. The south facing slope provides an opportunity to grow unique varieties of grapes not seen elsewhere in Niagara – five key Bordeaux red wine varieties and a block of Sangiovese, a very rare (for Niagara) Italian variety.

Craig Wimser of Elgin Vineyard Management shares his excitement for vineyard: “We are growing grapes on a site unlike any other in Niagara. I believe that Edgerock itself has the potential to push the envelope of the Niagara wine industry as a whole and I am excited to be part of it.”



Niagara Biosolids and Mine Reclamation: Pennsylvania Wildlife Reaping the Rewards of Sustainable Biosolids Management

What do a herd of elk in Pennsylvania and biosolids from Toronto have in common? The answer may surprise you.

Biosolids are the nutrient-rich organic residuals from municipal wastewater treatment process. Every municipality deals with their biosolids in different ways. Typical biosolids management strategies include direct land application in liquid form, incineration and landfill disposal. Alternatively, biosolids can be further processed to create fertilizers and soil amendments. We have been doing exactly that at our Niagara Biosolids facility in Thorold, Ontario since 2007. A small portion of Toronto's biosolids are processed at that facility and we were eager to provide another beneficial re-use option for the city. In December 2012, we signed a three-year contract with the City of Toronto to deliver biosolids from their Ashbridges Bay Wastewater Treatment Plant to WeCare operations in Pennsylvania. WeCare treats the biosolids through lime stabilization and then uses them as a soil conditioner on mine reclamation sites.

The mine reclamation program has been a huge success for all involved, most notably the Pennsylvania Gaming Commission (PGC), owner of many abandoned coal mines in the state. After WeCare applies the lime-stabilized biosolids to the rocky soil, the area is planted with native grasses, shrubs and trees.

In 2013, we sent 7,969 tonnes of Toronto's biosolids for mine reclamation work. WeCare's process has helped the PGC turn over 5,000 acres of abandoned mine lands into productive habitats. For the first time in ten years, elk have now been spending the winter in these areas, to the delight of local nature enthusiasts.



Endangered Species Award

Walker Aggregates was awarded the Industry Leadership Award by the Species at Risk Program Advisory Committee in 2013 for our support of the Ontario Badger Recovery Team. Our conservation efforts began in 2009 with financial support that has assisted the recovery team with the provision for a comprehensive overview of known habitat needs, ecology, threats and knowledge gaps for the badger as well as providing for an innovative outreach program aimed at inspiring youth to contribute to badger conservation. There are fewer than 200 adult American Badgers in Ontario. Badgers prefer open habitat. Meadows, prairies and the edges of fields and forests are ideal. Our initiative to encourage the naturalization of our buffer lands helps to support habitat ideal for the American Badger. We chose the badger because it is Niagara's Brock University's mascot and its habitat is along the north shore of Lake Erie, close to our Ridgemount Quarries, Fort Erie.



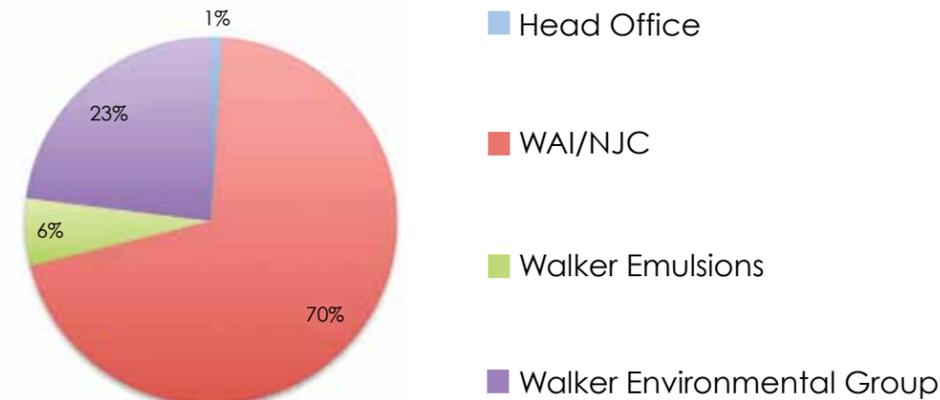
Corporate Carbon Footprint

In 2010, a team of employees was challenged to calculate our carbon footprint. Inventorying our electricity and fuel use to determine the greenhouse gas emissions we generate was a daunting task. We successfully computed that and continue to refine our approach. Knowing our carbon footprint puts a focus on reducing our impacts. Our 2013 carbon footprint is 25,193.68 tonnes of carbon dioxide equivalent.

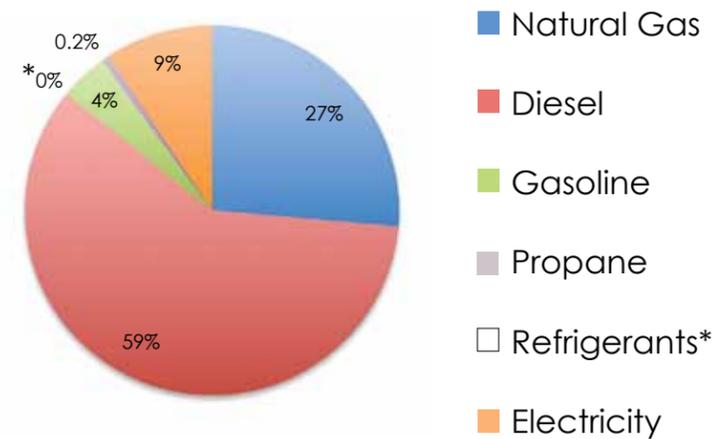


Total Emissions: 25,193.68 tonnes CO₂e

Total Emissions by Division



Total Emissions by Source



Participating in the circular economy and providing sustainable options are imperatives moving forward.

Economy

Any economy is about a relationship between people and the earth. ~ Paul Hawkins

We firmly believe to grow and prosper, we must remain true to our founding values. Respect – for employees, customers, suppliers, neighbours, the environment and our communities – is what we stand for. Key to our economic success is our long-term view. Our employees are innovative and look to maximize value from our operations. Participating in the circular economy and providing sustainable options are imperatives moving forward. We take a generational approach to decision-making and look for conservative business growth based on innovating our existing operations and acquiring related businesses. Our customers and suppliers are key partners in our economic success.

Measuring by Number

Production Rates

Tonnes of Waste Disposed	Tonnes of Waste Diverted	Tonnes of Aggregates Produced	Kilograms of Emulsions Produced
1,472,961	283,888	6,297,707	21,926,183

Our landfills provide perpetual care for society's inefficiencies.

Landfill Host Community Fees: \$1,034,099

Over half of Canada's aggregate production each year is used to build and repair roads.

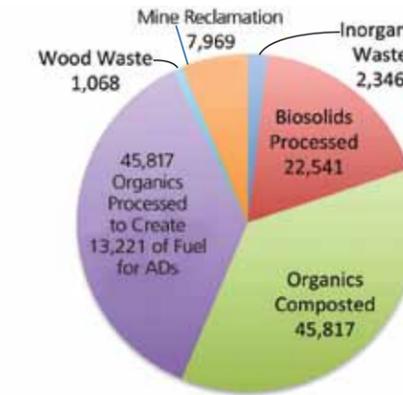
www.gac.ca/populargeoscience



Walker Emulsions reworked 8,040 kilograms of emulsions back into our products, preventing the generation of waste.

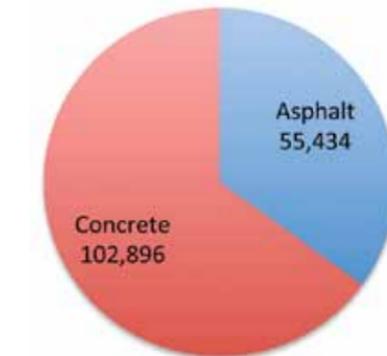
Waste Diverted from Landfill

Walker Environmental Waste Diversion (Tonnes)



**125,558
Tonnes of Waste
Diverted**

Walker Aggregates Waste Diversion (Tonnes)



**158,330
Tonnes of Waste
Diverted**

Property Taxes Paid

Division	Taxes Paid
WEG	\$434,475
WAI/NJC	\$907,702
WE	\$186,336
Head Office	\$130,796
TOTAL:	\$1,659,309

**Aggregate Levy Paid:
\$756,866**



Sustainable Emulsions: Walker Emulsions and McMaster University

As consumers put their dollars into sustainable products, companies are looking for alternatives to the traditional non-renewable materials they use in their goods. Walker Emulsions has taken this opportunity to work with customers to develop more sustainable product lines.

Our Technical Services and Innovation group, based at the McMaster Innovation Park in Hamilton, Ontario, includes graduate students from McMaster University. One research focus is to develop products with materials that have partially or wholly replaced petroleum-based substances and have price points and performance comparable to the traditional non-renewable goods.

We currently produce and sell a dust suppression product in which petroleum-based oils have been partially replaced with soy oils. Our team approached and worked with customers during the trial phase to produce a product that performs well and is comparable in price to traditional products.

Two projects currently in trial phases were initiated when customers approached us to request more sustainable product lines. These trials include the use of Tallow (from animal fat) and 100% soy oil in emulsion products.

The Technical Services and Innovation group will continue our research into sustainable solutions that meet the challenges set by our customers and community.

Solving a Supply Chain Challenge: Emulsurf Development

Walker Emulsions was faced with the supply chain challenge of being single-sourced on one of our product lines. A key ingredient in the product was a modified wax surfactant. Our Research and Development team collaborated with McMaster University to address this supply chain issue. Walker Emulsions and McMaster students working towards their Masters of Chemical Engineering worked to develop a replacement surfactant where we could control the manufacturing. Development started in 2009. By 2012, we had a lab scale working formulation of a replacement that met specifications, was reproducible and reliable. The formulation was optimized and we successfully manufactured an industrial trial of 5,000 kilograms. With this formulation we use less surfactant to provide the same performance levels, while at the same time reducing our supply chain risks. Continued research efforts to enhance its performance capabilities are under way.



Walker Aggregates: Duntroon Quarry Expansion Approval

After nine years of study through an interactive planning and review process, a 139 day hearing over 39 weeks with evidence heard from 36 expert witnesses, and a request for a judicial review of the Joint Board decision, the Duntroon Quarry expansion is going ahead. The Duntroon Quarry was first established in 1964 and has been operated by Walker Aggregates since 1995.

The site is located in the Niagara Escarpment and is in proximity of natural heritage features including woodlands, wetlands, and habitat for two Species at Risk – the Butternut Tree and the American Hart's Tongue Fern. The ground water in the area includes Karst features, seeps, springs and domestic water supplies. The consolidated hearing provided an opportunity for the effects of extraction on these features to be examined from many perspectives and the Joint Board concluded that the quarry expansion "is in the public interest and represents good planning."

The approval means:

- the access to 38.5 million tonnes of high quality dolostone,
- the protection of a colony of American Hart's Tongue Fern,
- the replanting of 53.2 hectares of woodlot to create a larger more diversified, better connected and more highly functional wood land system than the 32.8 hectares that will be removed to access the approved resource,
- a conservation easement over 34 hectares of land,
- the management of wetland water levels to maintain vernal breeding pools,
- the maintenance of ground water recharge and discharge characteristics,
- the maintenance of ground water recharge to the escarpment springs and seeps, and
- the implementation of an Adaptive Management Plan (AMP).

The Joint Board concluded that the quarry expansion "is in the public interest and represents good planning."



The AMP is a tool to implement a practical response to ecological and environmental changes over the life of the project. The AMP requires us to adapt operations to mitigate potential quarry related water issues.

The Superior Court of Justice in dismissing the request for a judicial review directed the Niagara Escarpment Commission to pay our legal costs of \$15,000. That money was then donated by Walker Aggregates to the Township of Clearview who plan to use it for a greenspace in the Centre of Stayner.



WEG purchases Organic Resource Management Inc.

Our purchase of Organic Resource Management Inc. (ORMI) in December 2012 was a step forward in our strategy to expand further in the organic waste processing business and to increase our presence across Canada. We are now Canada's largest grease trap cleaning company, with facilities in Toronto, Woodstock, Vancouver and Ottawa managing food wastes from restaurants, grocery stores and food processing operations. Our treatment facilities in Toronto and Ottawa process the organic waste received by separating the aqueous phase from the organics. The aqueous phase is treated for discharge to the sewer. The organic phase becomes feedstock for anaerobic digestion to generate clean renewable energy.

In 2013, our focus was aligning these operations with our corporate values – introducing our superior safety culture, our EARTH 1st program and investing in improved performance by installing Dissolved Air Flotation (DAF) units in Toronto and Ottawa. We also developed and delivered a training program to encourage employees of grocery store customers to take the time to separate food waste and process it through our proprietary grinding system so it can be sent to anaerobic digesters and turned into green electricity.

In 2013, Organic Resource shipped approximately 13,221 tonnes of organic waste with an energy value of 69,868 gigajoules, creating 6,604,287 kilowatt hours of electricity.

That is enough energy to power about 550* Canadian homes for a year.

Long-Term Planning:

WEG submits Terms of Reference for South West Landfill Proposal

In August 2013, we submitted our Terms of Reference (ToR) – the unique roadmap that guides the Environmental Assessment process – to the Ministry of the Environment for approval for the Southwestern Landfill Proposal.

If approved, this project would

- grow our waste management business into Oxford County,
- establish a modern landfill in a mined quarry in Zorra Township,
- receive solid non-hazardous waste generated in the Province of Ontario,
- provide 17 million cubic metres of disposal capacity, and
- only be developed if it can be done safely and in a way that protects the environment, including the local social character and economic activity.

The Environmental Assessment Process outlined in the ToR has been developed to provide opportunity for conflicting views to be expressed and considered. We have been responsive to community input and adapted our ToR based on the conflicting views provided during the consultation process. Providing room for dissenting opinions allows for an environmental assessment to be developed in a way that considers the unique characteristics and concerns of the community.

Our consultation activities have gone above and beyond the statutory requirements. We have done the following:

- opened an office in the community,
- published and distributed three newsletters and ten Community Exchange bulletins,
- formed a Community Liaison Committee (CLC),
- hosted 15 CLC meetings over 16 months,
- conducted multiple bus tours of our Niagara Campus,
- met with interested community members, Aboriginal Communities, municipalities, government and non-government agencies as well as media outlets,
- circulated a draft ToR for comment,
- revised the ToR based on input received, and
- extended the public comment period.

The study phase of the environmental assessment will use a cumulative effects approach to gather and analyze social, environmental, health and economic data to determine if the proposal is feasible.

Providing room for dissenting opinions allows for an environmental assessment to be developed in a way that considers the unique characteristics and concerns of the community.

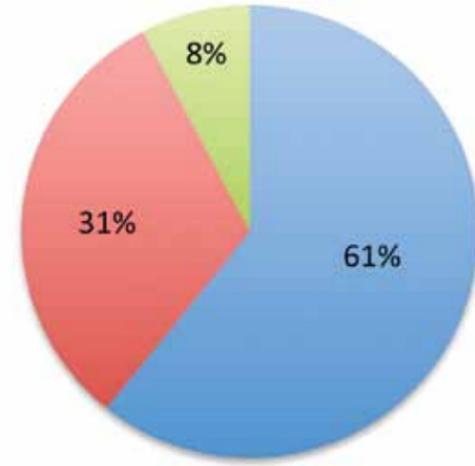


*assumes average home uses 12,000kWh/year



Corporate Giving

Supporting the needs of our communities is a founding value that was initiated by the Walker family and has been instilled in each of our employees. Our corporate philanthropic focus is the arts, education, health and community. In 2013, we donated a total of \$346,083.00, not including shareholder contributions. In kind donations of our products and services are not included in this total.



In 2013 we donated \$346,083 to worthy causes within our communities.

- Direct Giving
- Community Sponsorships
- Together We Can



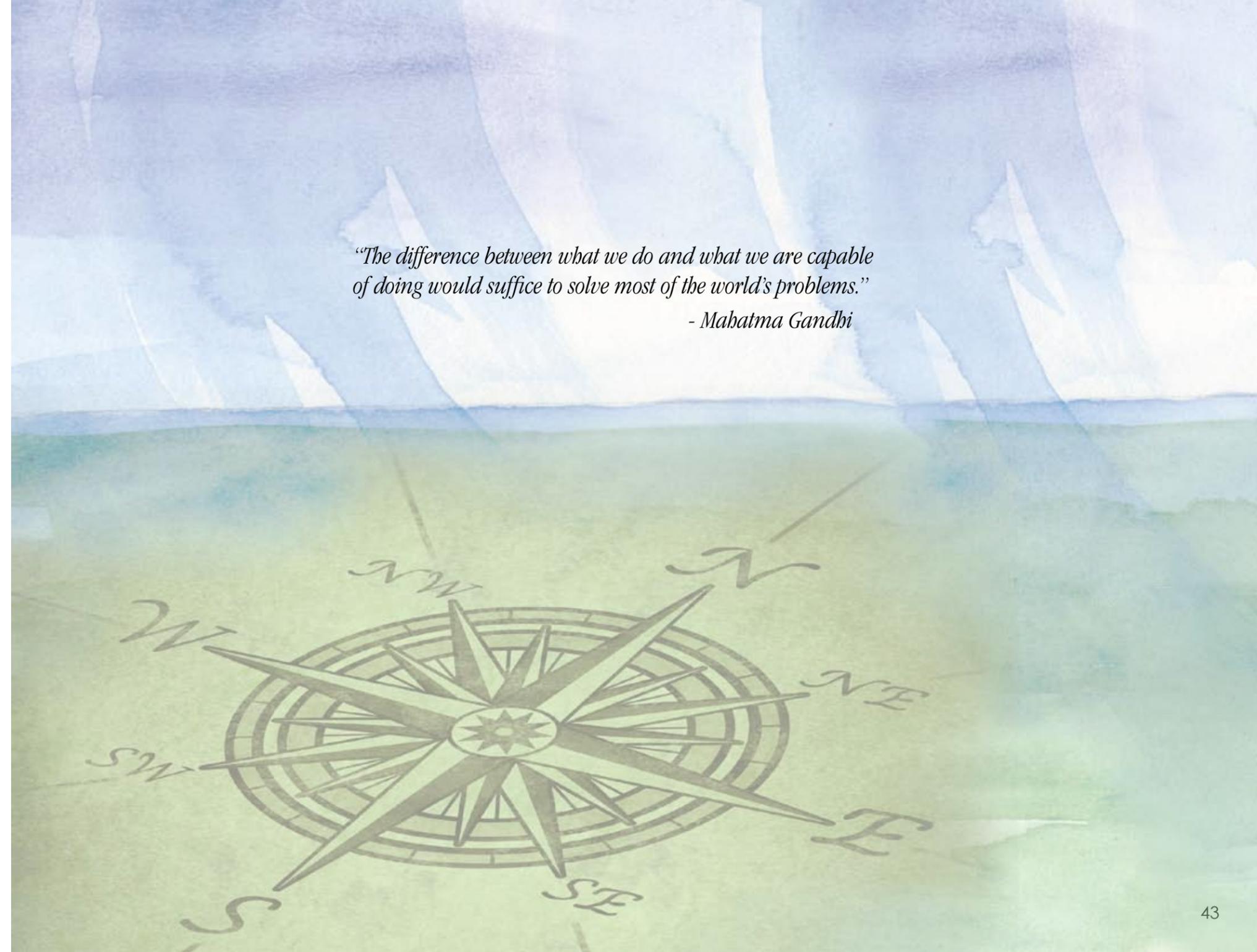
Shareholder Giving

In addition to the corporate giving, over the years the shareholders of Walker Industries have been active supporters of many community initiatives. The shareholders have taken the lead on these large community projects:

Niagara Regional Cancer Centre	\$5 million
Pathstone Mental Health	\$1 million
Walker Living Campus at Woodend Conservation Area	\$500,000
YMCA in St. Catharines	\$1 million

“The difference between what we do and what we are capable of doing would suffice to solve most of the world’s problems.”

- Mahatma Gandhi





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