



ENVIRONMENTAL.
SOCIAL.
GOVERNANCE.

2025



Letter from AITX Leadership

At AITX, ESG is embedded in how we run the business.

As a global, integrated railcar solutions provider, our performance starts with our people. We invest in safety, training, and long-term development through trade school partnerships, mentorship, tuition assistance, and a promote-from-within culture. We also foster an environment where employees feel supported through transparent communication and employee resource groups.

Operational discipline drives our environmental and governance approach. We improve efficiency, reduce energy and water use, and strengthen procedures that minimize risk, while investing in initiatives that enhance reliability and lower our footprint. Our ESG roadmap is grounded in measurable progress and clear accountability.

Ultimately, ESG at AITX is about building a resilient business that delivers consistent performance for customers and creates lasting value for employees, partners, and the communities we serve.





Commitment to ESG Policies

ESG is core to how AITX operates.

Our culture is built on strong relationships with our employees and the communities where we work, and that foundation shapes everything we do.

Safety and environmental stewardship are not aspirational goals; they are practiced daily and reflect our commitment to the people and places that make our business possible.

As we look ahead, we remain focused on deepening community participation, upholding best-in-class safety standards, and taking meaningful steps toward a more sustainable future.





Efficiency of Rail



Greenhouse Gas Emissions

- Railroads account for 40% of long-distance US Freight by ton-mile but only 1.8% of US transport-related greenhouse gas emissions
- EPA: Freight railroads contribute only 0.5% to total U.S. GHG emissions and 1.8% to transportation-related GHG emissions while cars contribute 58.5% and trucks 23.4%



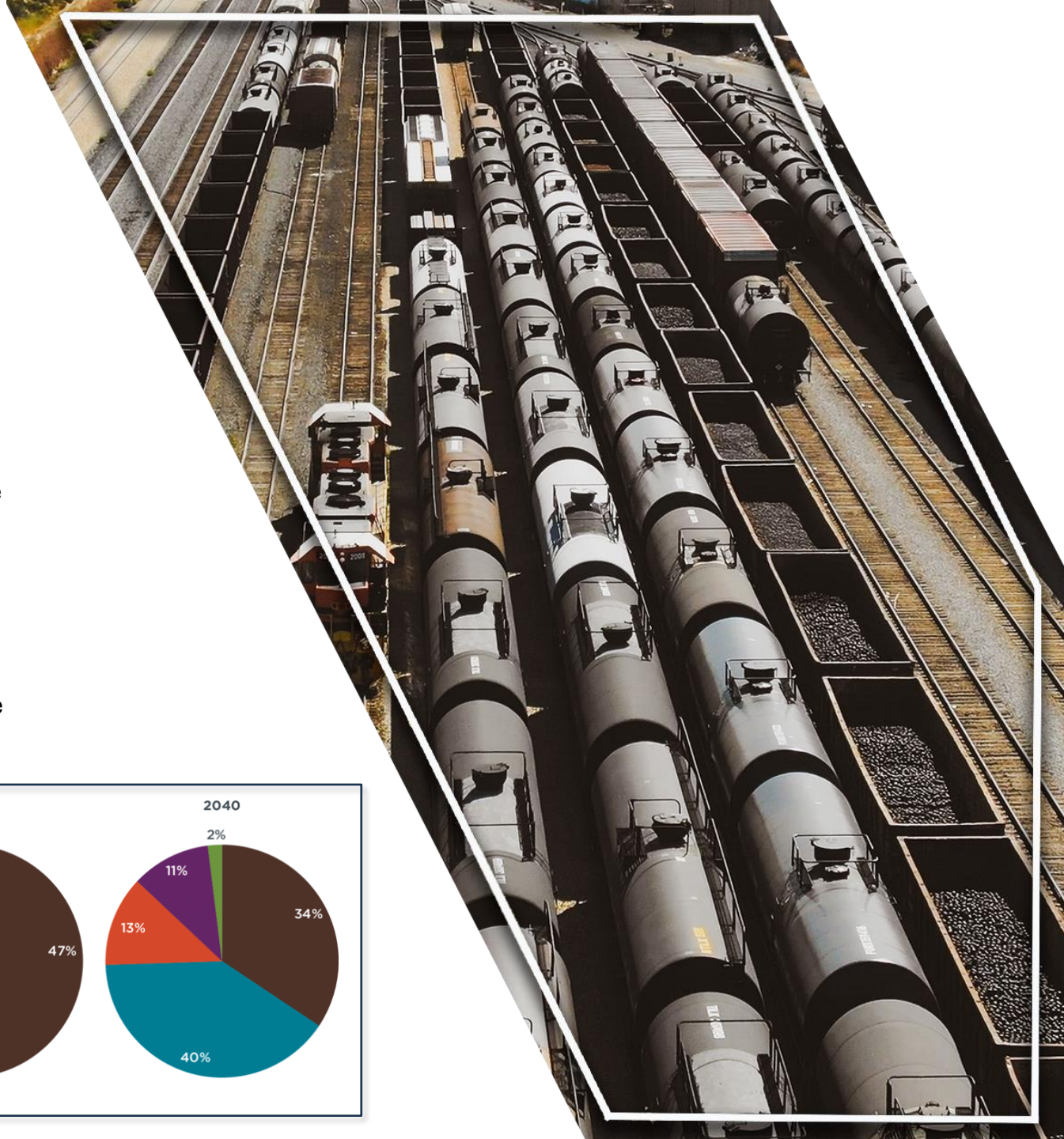
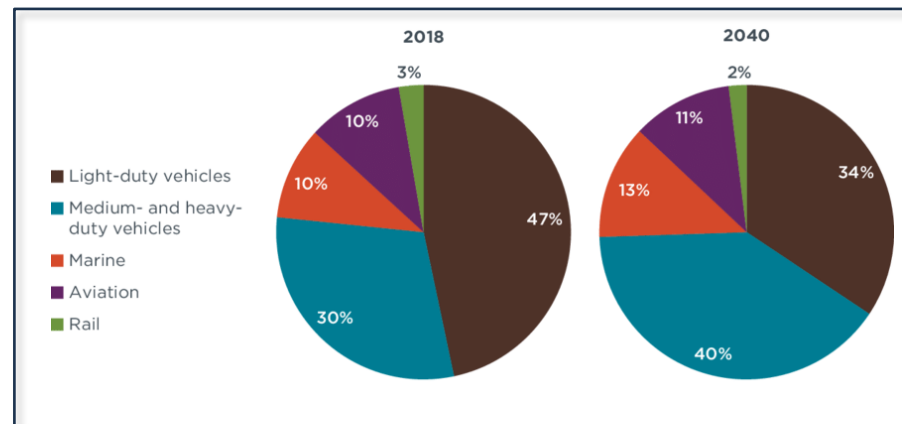
Freight Efficiency

- Moving freight by rail instead of truck lowers GHG emissions by up to 75%, on average.
- Freight rail is the most fuel-efficient way to move goods over land and one train can move nearly 500 tons on one gallon of fuel



Carbon Emissions Savings

- Rail transport offer environmentally advantaged way to move cargo across the country. If 50% of the truck traffic over 750 miles went by rail instead, emissions would fall by 27.2 million tons





2025 ESG Report

AITX is taking a comprehensive approach to building ESG principles into our business and what we do every day in service of our clients.

Our approach to measuring, managing, and reporting the specific policies and strategies in these categories will allow us to accomplish our short-and-long term goals.





Our People

Health & Safety is our #1 Priority

We have a strong track record and *one of the best safety records in the business*, because we prioritize training and the processes that ensure team safety.

This begins with an onboarding training program focused on preparation and skill accumulation in designated areas of focus. The AITX culture is one that reinforces safety and attention to protecting our people and our environment.

The best teams are the safest teams

Multiple AITX Repair and Field Service locations had zero recordable injuries and/or lost time incidents





Safety Record

Guided by a Commitment to our Team Members

TRIR = Total Recordable Incident Rate

- (0.31) vs (2.3) Industry Average

LTIR = Lost Time Incident Rate

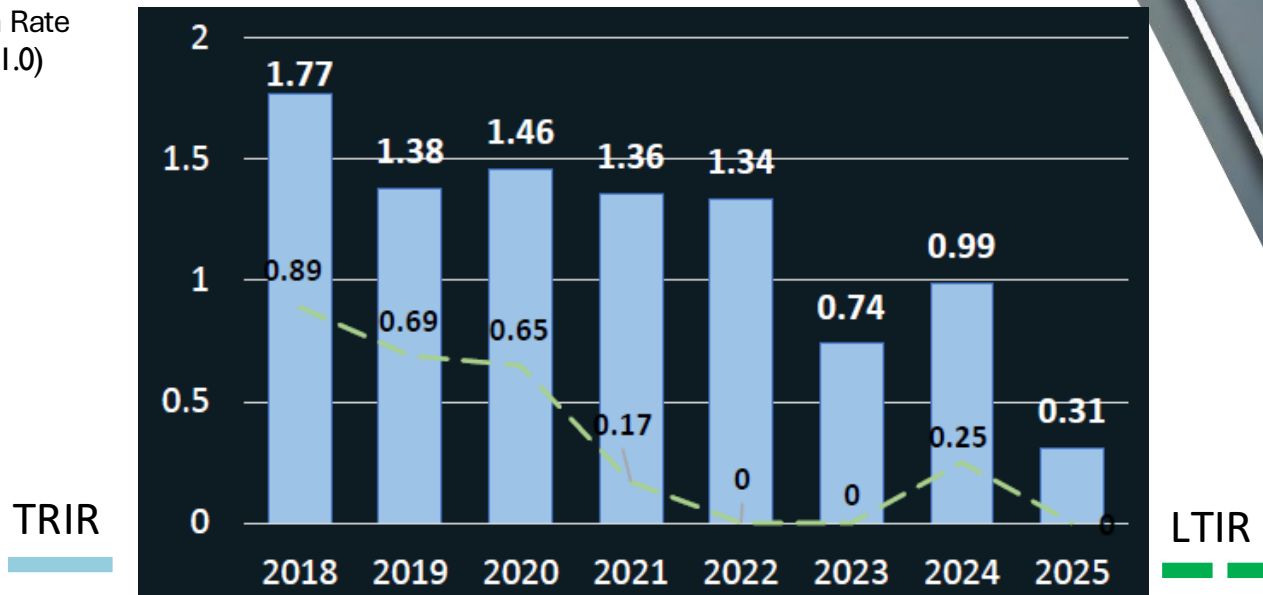
- (0.00) vs (1.7) Industry Average

DART = Days Aways, Restricted, or Transferred

- (0.00) vs (1.7) Industry Average

EMR = Experience Modification Rate

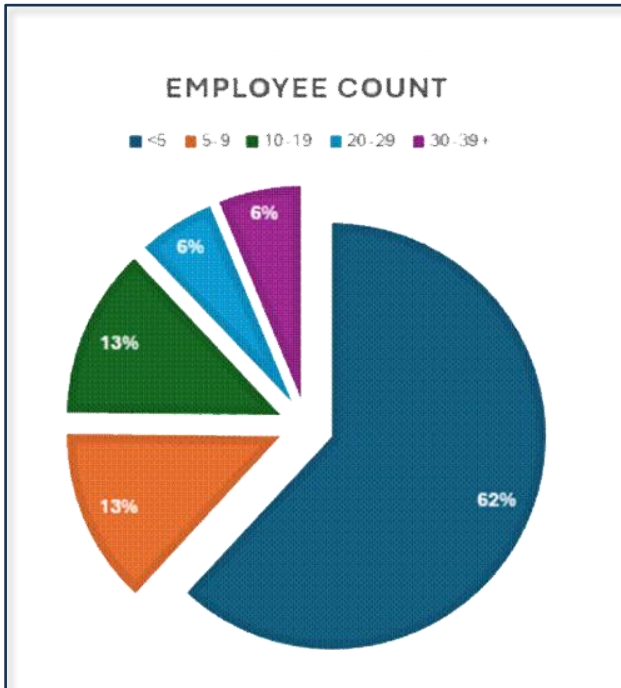
- (0.53) vs Target of less than (1.0)





Dedicated Workforce

AITX believes in developing its people and allowing them to achieve their professional goals. Employees have access to AITX tuition reimbursement as well as a wide range of training that encourages them to build their long-term careers at AITX.



When looking at our workforce, AITX reflects the communities where we operate as well as the industry. The Company's strong culture has resulted in 30% of the AITX diverse workforce having been at the Company for 10+ years.

**30% have been at
AITX for 10+ years**





People Move Us Ahead

Diversity, Equity, Inclusion, & Belonging

AITX believes that a diverse workforce is essential for our business to achieve its long-term goals. The diverse perspective and experiences foster a culture that serves both our customers and the communities. AITX is going beyond its DEI initiative and focusing on DEI&B. When employees feel comfortable bringing their authentic selves to work, we, as a Company, thrive culturally.

AITX is committed to identifying and understanding site-specific challenges and circumstances relating to gender and diversity. This, coupled with a more focused approach on recruiting and outreach, demonstrates the Company's commitment to emphasizing representation across the AITX workforce.





Community Engagement

We are committed to supporting the local communities where we operate. Our ESG team proactively identifies programs and partnerships that allow us to meaningfully engage in the communities where our employees live and work.

Our community initiatives include:

- Partnering with **Youth In Need** to support youth and families through educational and social service programs
- Serving as a sponsor of the **Rail District Festival**, celebrating community connection and local economic vitality
- Volunteering with **Blessings in a Backpack**, helping provide food security for children facing weekend hunger
- Organizing a toy donation program to support local families in need during the holiday season

Through financial support, volunteerism, and strategic partnerships, we aim to create lasting, measurable impact while reinforcing our commitment to responsible corporate citizenship.





Environmental Sustainability

AITX environmental practices are designed with environmental stewardship in mind and AITX believes these efforts are essential to the long-term health of the communities we live in and serve. Our core business contributes to AITX's ESG core values by filling a critical efficiency need in transportation infrastructure of essential goods with the least contribution to greenhouse gases and other environmental hazards.

By measuring our energy, water, and waste usage company AITX is positioned to make changes and see the positive results toward our ESG goals. This allows AITX to identify and develop initiatives that reduce emissions and fortify our long-term approach to growth with an eye towards the environment and local operational communities.

Haz Waste Generation is down 19% from 2024





Sustainability Initiatives



Water

Continued programs to reduce water usage continue. AITX treatment systems allow cleaning water to be discharged to the city sanitary sewers for continued treatment and return to the waterway.



Air Quality

More robust third party Volatile Organic Compounds (VOCs) and Hazardous Air Pollutants (HAPs) measurement system has been installed with the goal of better reporting, to be used as a tool for greater reductions.



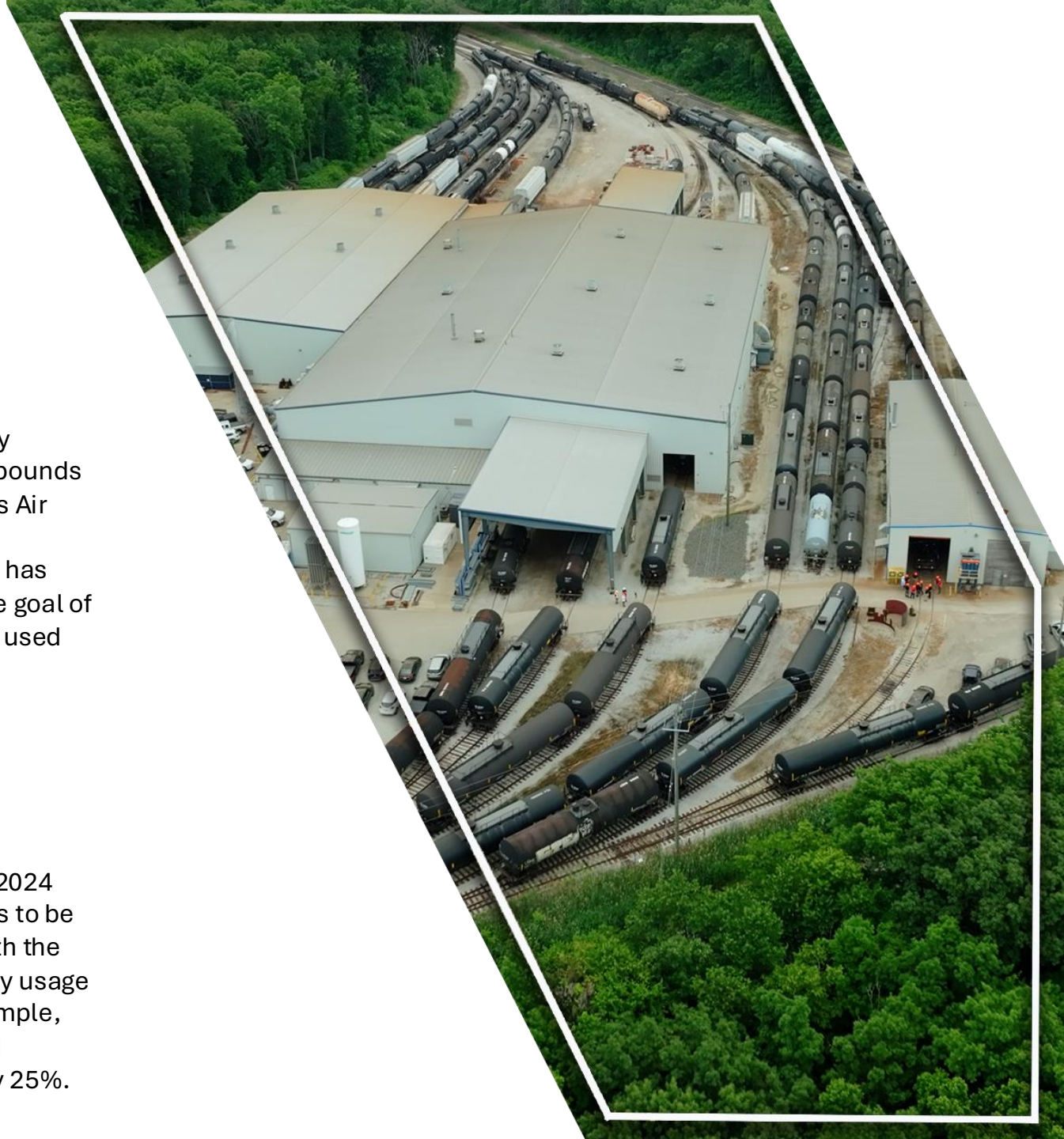
Recycling

The railcars in the AITX fleet are made from 99% recyclable materials. AITX recycles all of those recyclable materials.



Electricity

Four Energy Audits in 2024 with the other facilities to be completed in 2025 with the goal of reducing energy usage and waste. As an example, NKC facility increased compressor efficiency 25%.





Reporting & Governance

AITX ESG Committee has full Board support and consists of subject matter experts from across the Company with the goal of developing the Company's long-term ESG strategies, set priorities and develop projects to advance the ESG goals of the AITX program.

AITX works with all stakeholders internal and external to advance AITX's, Customer's and Communities ESG goals and principals with transparency, feedback and broader adoption.

The AITX ESG Committee meets periodically ensures the Company is tracking and delivering on its stated ESG objectives and goals. The committee reports on progress, and new objectives to the board, employees, and other stake.





ESG Goals

Employee Health & Safety



- Reduce water and energy consumption, similar to roto-jet and led lighting projects
- Continue to make procedures clearer like the new cleaning procedures (reduce the opportunities for injury or environmental release)
- Build on our successes and achievements in safety with industry leading statistics

Environmental



- Reduce our carbon footprint, through investment
- Increase efforts to reduce, reuse, recycling in our operations
- Assess our operations for ability to reduce power usage and emissions
- Pursue opportunities to recover energy and resources to reduce negative impact on the environment (heat, energy, water)





ESG Goals

Governance & Ethics



- Focus on Company communication and transparency for our employees through more frequent updates
- Continue periodic updates on our ESG program and how we are effectively taking steps to reach our ESG objectives and impacting our stakeholders (employees, clients, local communities) and our communities

Diversity, Equity, Inclusion, & Belonging



- Highlight AITX Employee Assistance Programs and expand as needed
- Expand employee resource groups, similar to Women in Rail effort
- Recruit to be more representative across diverse populations





ESG Goals

People



- Continued develop and implementation of trade school and promote our tuition assistance programs
- Expand mentor and intern programs to encourage employees to grow their long-term careers at AITX
- Enhance Company onboarding and promote from within programs with a focus on expanding training

Community Engagement



- Company-wide charitable giving programs that will allow employees to give back to their designated local or national charitable organizations monetarily
- Continue to partner with local organizations to grow our relationships within the community.



Moving Ahead.

