
Workforce Development

Beyond employee safety, Toromont's job as an employer is to recruit, train, develop and motivate our people to achieve our business goals and their personal goals. Growing our organizational capabilities demands that we use a number of strategies and tools.

Toromont Cat has taken the lead in this area. In 2015, web-based performance appraisal and talent development programs called MYPERFORMANCE and MYFUTURE, respectively, were employed for the first time.

MYPERFORMANCE changes the form and frequency of appraisals, causes managers and their direct reports to be more mindful of the goals they set and allows us to cascade corporate objectives to the individual level. MYFUTURE defines the specific competencies one needs in order to be successful at Toromont Cat and includes a Development Playbook that outlines the various training resources available to advance those competencies in areas such as customer service, teamwork, operational excellence, personal accountability and leadership. These resources include a mix of on-line and on-demand learning modules, in-person seminars, one-on-one coaching and recommended readings. To ensure employees remain on the right development track, they are encouraged to visit our virtual Toromont University where they can follow a personal roadmap and recommendations on the number of development hours they should invest per year.

Defining the competencies we seek, developing them, and then assessing where each employee sits on the competency

spectrum allows us to be more strategic and targeted in our training efforts and, over time, will assist in succession decision-making. Ultimately, the objective is for every Toromont Cat employee to benefit from having individual development plans for the long run, and specific, motivating, measureable, achievable, results-focused and time-bound targets annually.

Other Toromont businesses are also active in developing the skills and talents of their teams and in using technology to improve visibility. In 2016, CIMCO will bring greater employee focus to its key performance indicators ("KPIs") by cascading them throughout the organization using online employee portals powered by its human resources information system. KPIs will be specific to job functions so that employees will have a clearer picture of how their performance contributes to CIMCO's targets as a whole.

As a result of the efforts taken to date company wide, employee loyalty (measured by our voluntary turnover rate) remains well above industry benchmarks, while productivity (reflected by revenue per employee) has continued to grow.

For the future, Toromont's success is dependent on adding great people, especially technicians who deliver our product support mission. Partnering with educational institutions that specialize in trades training is our most effective recruiting strategy. With the addition of Northern College in 2015, we now support 10 such institutions financially, by serving as academic advisors and with periodic donations of Cat equipment and software

Toromont Recognized at Caterpillar People Conference

In 2015, Toromont took top honours at Caterpillar's People Conference in the Technician Pipeline Development category for a concept we use to serve remote customer sites. Code-named Store 90, it is not a store at all, but rather a pool of specialized parts and service technicians that is available for rapid deployment on short notice. Serving in this virtual store is an enriching experience for employees. For Toromont Cat, Store 90 meets customer demands without depleting branch resources. Since its inception, Store 90 has completed more than 15,000 customer work orders. Competition included 65 dealers from the Americas. This was the second year running that Toromont was recognized at the Caterpillar People Conference: in 2014, we took home two awards.



that students use in the classroom. In turn, students learn about Toromont, tour our facilities and many apply for our apprenticeship program. Our total apprenticeship employment at year end was 119, including 41 new apprentices who joined us during the year. Toromont Cat's THINK Big scholarships also ignite interest in careers in heavy equipment among younger students who use the funds to offset tuition costs at sponsored colleges.

Toromont recruits future leaders using the Toromont Cat management trainee program, which is open to university graduates, primarily with engineering or business degrees. Over a two-year period, trainees rotate through different departments and geographic regions in order to understand business fundamentals and develop talents needed to build future careers at Toromont.

Casting our net far and wide for the best people means that we actively recruit from under-represented groups and in remote regions where we do business. To increase awareness among First Peoples of job opportunities at Toromont, we introduced new social media marketing content featuring testimonials from Aboriginal group members who have built careers at our Company. We also maintain partnerships with Inuit communities in the Kivalliq, Kitikmeot, and Qikiqtaaluk regions of Nunavut and formal relationships with a number of different First Nations' communities. These efforts are paying off: aboriginal peoples now represent almost 3% of our workforce and for the first time

ever, we recruited a candidate for our management trainee program from a First Nations community, in this case Qalipu Mi'kmaq in Newfoundland.

Employing a culturally diverse workforce sometimes requires special support for employees whose primary language is not English or French. This past year, members of our parts team in Thompson, Manitoba, and several head office employees took part in workplace communications skills training.

Women are also under-represented in our industry and we seek to change that through targeted prospecting efforts. At Fleming College's 2015 Career Exploration Event for Women, as an example, Toromont's Amanda Carter promoted a career in skilled trades to 125 students from grades nine to 12. Informal engagements with organizations such as Women in Electricity and the Women in Trades Network (WiTN) offered us other important connection points. Of course, actions speak louder than words, which is why we are proud that women serve in executive and management roles at Toromont and have actively participated in our management trainee program for over a decade.

Toromont's Board of Directors also recognizes the benefits of diversity as a contributor to growth, innovation and corporate decision-making. To that end, in 2015 the Directors adopted a Board Diversity Policy setting out the diversity criteria the Corporation considers in identifying, assessing and selecting potential Director nominees.

Community

Our employees are busy, but never too busy to lend a helping hand to charitable causes with support from Toromont. Our official charity is the United Way, chosen because, like Toromont, it serves dozens of communities and welcomes the volunteer efforts of our employees. We're proud to have raised \$151,469 for the United Way in 2015 and delighted that our employees participated shoulder to shoulder in collegial fundraising events including the York Region Dragon Boat Races, baseball, ball-hockey and virtual poker tournaments. A wildlife photo contest brought out the talents of our northern employees in support of United Way.

We showed our community spirit in other ways including participation in Day of Caring® events where employees volunteered to help organizations such as Knights Table that helps the poor and homeless in Peel Region and The Gathering Place, a St. John's community service centre. Thirty members of our team completed a sponsored run to send children with, and affected by, cancer to Camp Oochigeas. Battlefield continued its tradition of supporting regional healthcare and environmental organizations such as Ducks Unlimited. AgWest contributed to the 45th annual Canadian Junior A ice hockey national championship in Portage la Prairie, Manitoba.