



# In Motion

Accelerating our journey towards a better tomorrow

**rb RITCHIE BROS.**<sup>™</sup>

Ritchie Bros. 2022 ESG Report

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# This past year, our world faced unprecedented challenges

related to the on-going climate crisis, geopolitical conflict, social justice issues, and economic inequality. We are collectively impacted by these challenges – our business, our people, and our stakeholders. Priorities continue to shift, and we are moving with them. We're compelled to move forward in transforming our digital presence to better serve our customers, meet our stakeholders' needs, and create long-term value for our people, communities, and planet.

## ESG in Motion

We set our refreshed ESG strategy in motion last year. In our last report, we released our updated approach focusing on priority issues for our key stakeholders. We developed a framework to help guide and communicate our ESG efforts. We set goals to help focus and drive our performance across key ESG issues. And we established additional performance metrics for disclosure, to increase transparency for our stakeholders.

## Our 2022 Progress

Our 2022 ESG report showcases our progress towards enabling the circular economy to support the transition to a low-carbon world, fostering a diverse, equitable and inclusive culture, and

creating economic opportunities in the communities where we operate. This year:

- We've completed the design and planning for our Yard of the Future sites. These state-of-the-art sites will transform our operations and reduce our environmental footprint. We are excited to start construction in 2023.
- We've completed our baseline inventory for our Scope 3 greenhouse gas (GHG) emissions. Understanding our value chain emissions will enable us to set reduction targets in future years.
- We've completed rolling out our diversity, equity and inclusion training. This training expands our mindsets around diversity to go beyond race and gender, and helps us create a more diverse, equitable, and inclusive culture.
- We've launched our #RitchieGives Community Impact Platform to organize, track, and measure our community giving efforts. This platform will be a catalyst to support our communities through volunteerism and philanthropy.

## IAA Acquisition

As of March 20, 2023, and the time of writing this letter, IAA Inc. became part of our Ritchie Bros. family. We believe combining our expertise will accelerate our journey to become the trusted global marketplace for insights, services, and transaction solutions for commercial assets and vehicles. IAA's ESG performance is not reported in this report due to the recency of the acquisition. As we come together, we'll build on our strengths and look to expand our positive impact on our joined social, economic, and environmental footprint. We'll unite our ESG journey and narrative in future years.

## Our Shared Future

We're grateful to our employees, customers, trusted partners, and shareholders for their support and commitment to our ESG journey. We'll continue to build trust in our brand and platform through our endeavors to create a sustainable and equitable future. We know that this will require the collective efforts of all our stakeholders, and we look forward to collaborating on this shared goal.

**Ann Fandozzi**  
Chief Executive Officer  
**rb RITCHIE BROS.™**

# About Us

## About Ritchie Bros.

Ritchie Bros. was founded in 1958 in Kelowna, British Columbia, Canada. We're a world leader in commercial asset management and disposition technologies. Ritchie Bros. facilitates a smooth end-to-end experience buying and selling commercial and industrial assets and does not manufacture any equipment. In 2022, we sold \$6 billion of used equipment and other assets. Our expertise, unprecedented global reach, market insights, and trusted portfolio of brands give us a unique position within the used equipment market.

### Our Offerings

Through our unreserved auctions, online marketplaces, listings, and private brokerage services, we sell a broad range of primarily used commercial and industrial assets, as well as government surplus. We also provide our customers with a wide array of value-added services: equipment financing, asset appraisals and inspections, online equipment listing, logistical services, and ancillary services such as equipment refurbishment.

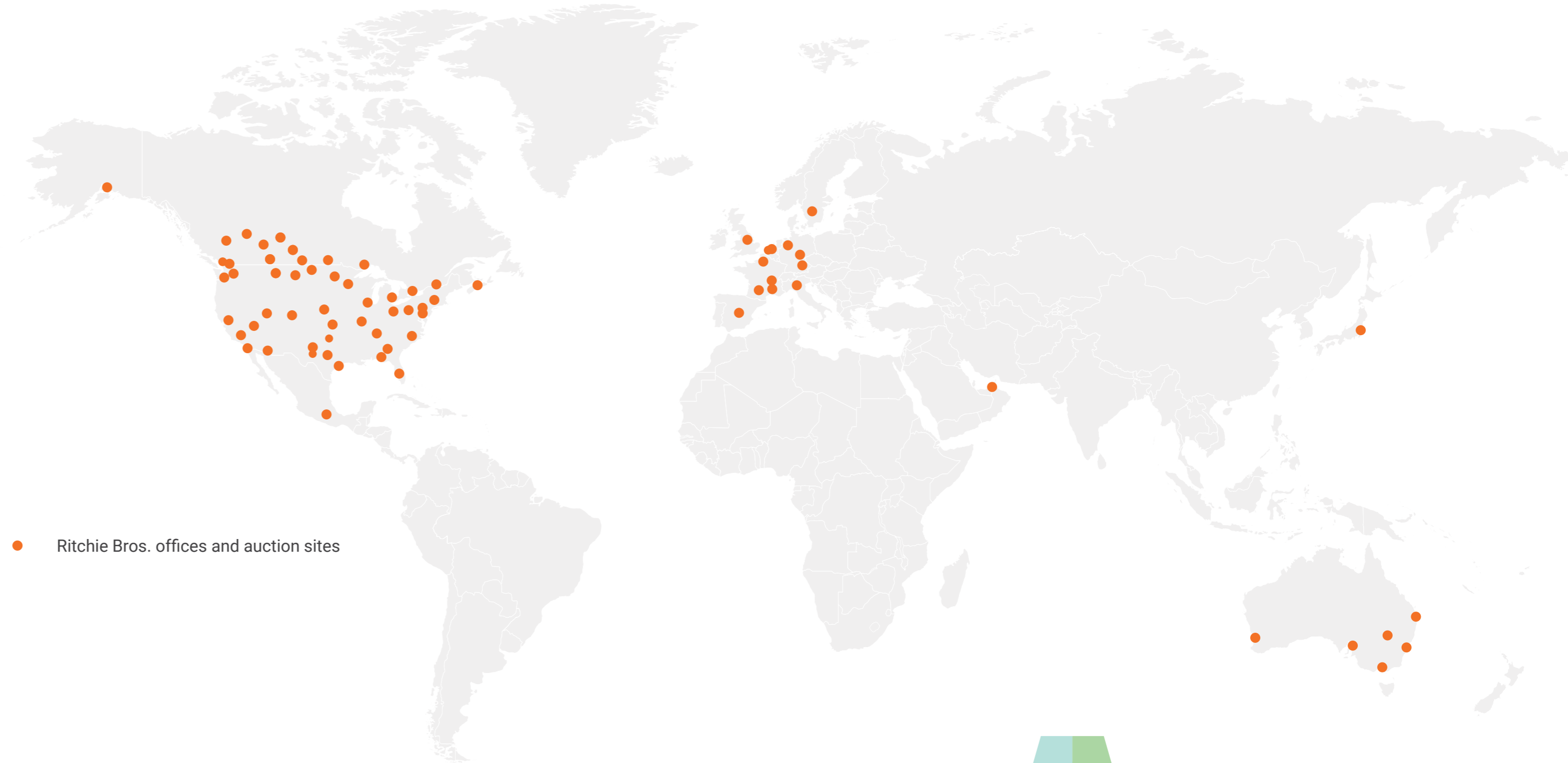
As well, our asset technology solutions help customers to manage the end-to-end asset disposition process. By offering market data intelligence, we enable customers to make more accurate and reliable business decisions. Our innovative technology platform supports equipment lifecycle management and end-to-end parts procurement.

### Our Customers

Customers selling equipment through our sales channels include end users (such as construction companies), equipment dealers, original equipment manufacturers (OEMs), and other equipment owners (such as rental companies). Our customers participate in a variety of sectors, including construction, transportation, agriculture, energy, and natural resources.

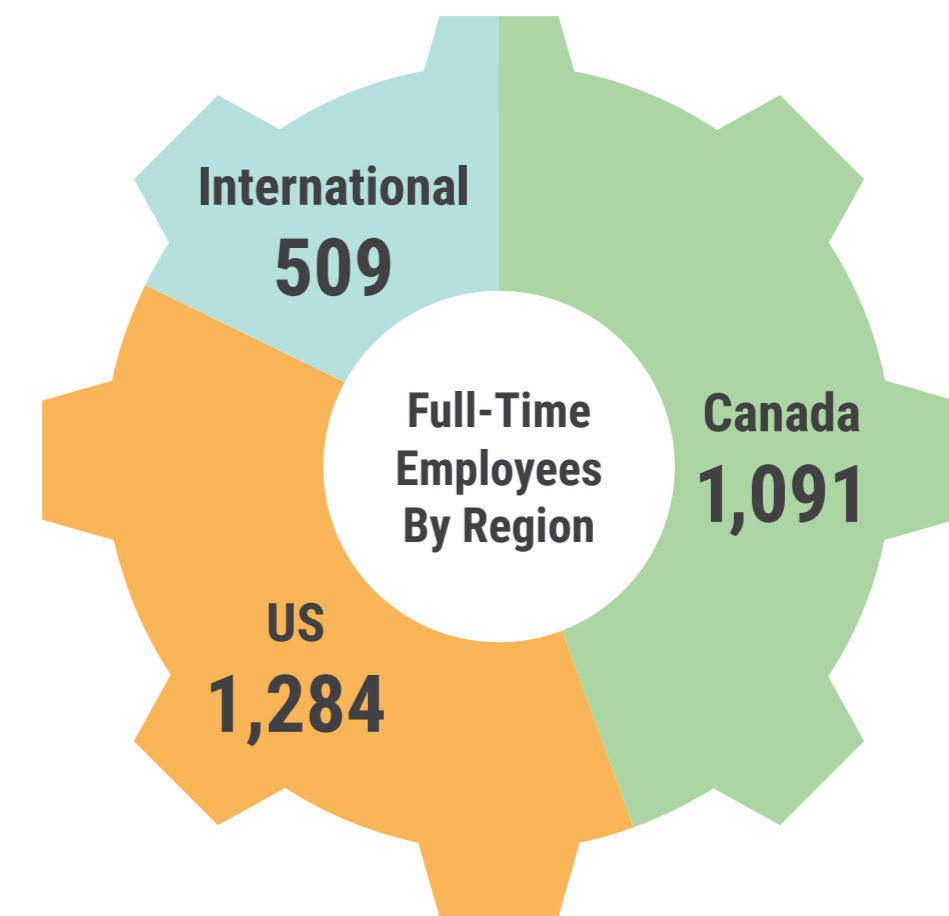
### Our Operations

We operate globally, with locations in 13 countries, including the U.S., Canada, Australia, the United Arab Emirates, and the Netherlands. We also maintain a presence in 42 countries where customers can sell from their own yards. Ritchie Bros. employs more than 2,800 full-time employees worldwide.



### Our Unique Business Model

Ritchie Bros. has a unique business that spans several industries and models. We fully appreciate and support the value of third-party ESG ratings and evaluations to drive transparency and standardization in ESG reporting and disclosure. We also believe it is important to recognize that each company differs in its business context, structure and operations. We encourage our stakeholders to consider this context in conjunction with any third-party evaluations, as certain measures or criteria may be less relevant or applicable to our business.



# Shared Value



## Our Stakeholders:

- **Customers:** We empower our customers by providing scale and liquidity through access to our global marketplace and serving as their trusted advisors.
- **Employees:** We strive to provide meaningful work and career development to our employees by creating a diverse, equitable, and inclusive culture, and investing in career development and training opportunities.
- **Shareholders:** We aim to deliver long-term value to our shareholders by embracing ESG principles and our unique company culture to continue to deliver strong performance, productivity, asset optimization, and capital allocation that drive value creation.
- **Local Communities:** We support thriving communities by investing in organizations that create positive local impact, and by creating economic opportunities in the communities in which we operate.
- **Environment:** We support the transition to a low-carbon world through our role in enabling a more circular economy for equipment and vehicles, and through our efforts to manage our greenhouse gas emissions and other environmental topics such as water management, air emissions, and waste management.

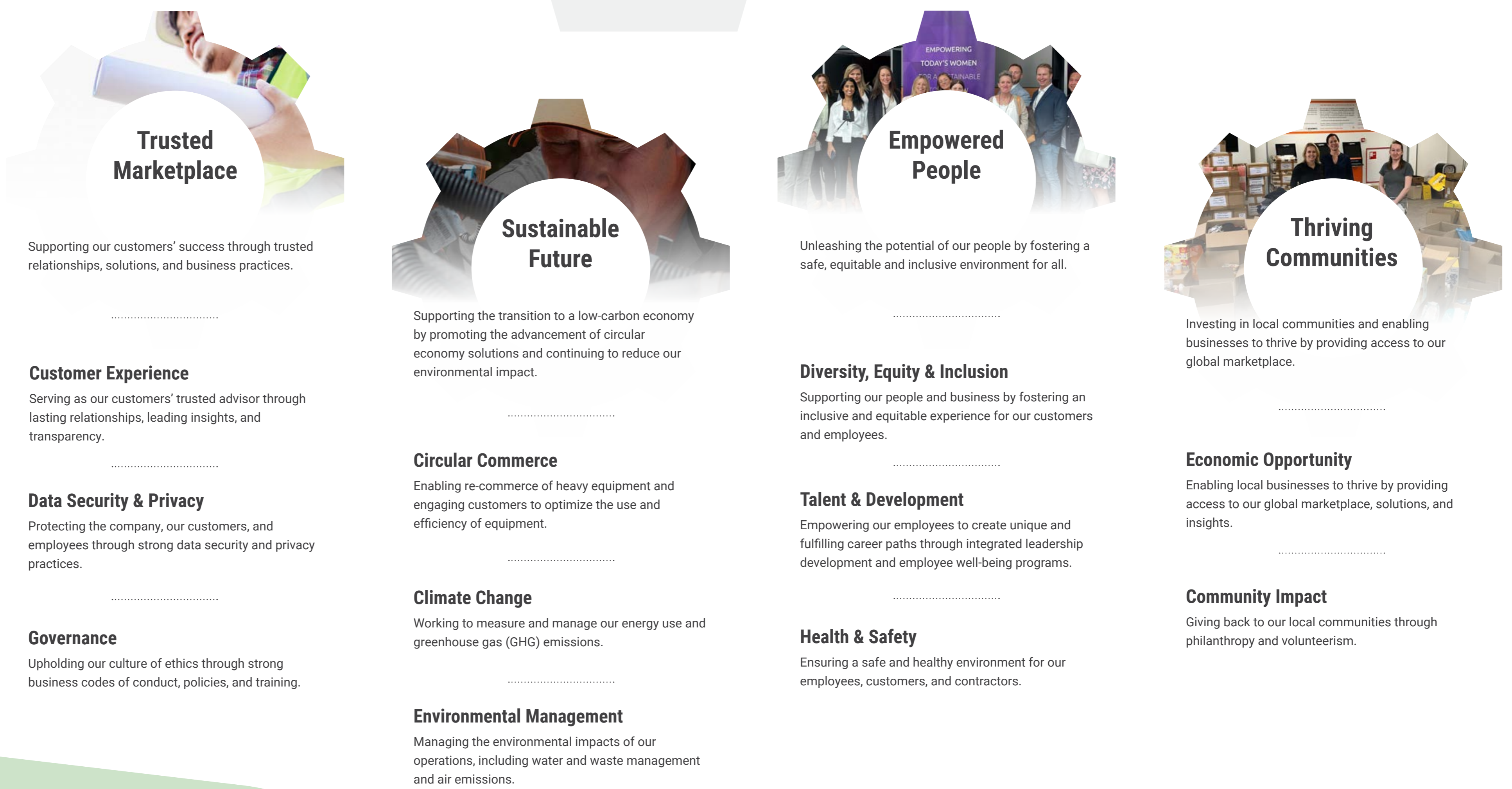
# Our ESG Strategy

Our shared values inform how we operate as a trusted global marketplace. We're inspired by the opportunity to positively impact the lives of our people, customers, and communities. To do this, we're working towards integrating ESG in our business and market solutions. Our ESG framework (see graphic on the right) illustrates how our strategic pillars of Trusted Marketplace, Sustainable Future, Empowered People, and Thriving Communities guide our approach to ESG, as well as structure the content of our report.

On a periodic basis, we engage with employees, executives, and shareholders to refresh our priority focus areas where Ritchie Bros. is positioned to have the greatest impact. We have most recently identified 11 priority focus areas, which are tied to one of the four ESG pillars (as depicted).

We'll leverage this foundational framework to continue building material topic strategies, collaborating, and taking action aligned with our goals and commitments.

ESG is a journey, and while we're proud of the steps we've taken, we know that there's more work to do. We'll continue to build on the foundation we've created by developing additional goals, targets, performance metrics, and supporting programs, and by sharing our progress. In carrying out our ESG strategy, we aim to better meet the needs and expectations of our stakeholders.



# About This Report

Our 2022 report marks important steps we've taken to advance our ESG efforts in the past year. We're proud to share the impact we've made and how we've continued to evolve our ESG strategy and disclosure.

Our annual ESG report is an important means of communicating with our stakeholders and transparently reporting on our progress, actions, and plans. Our report is organized by our ESG framework and four pillars as noted above (see page 6). Please visit our [Sustainability Page](#) to read last year's report.

Select performance metrics have been developed in line with the Sustainable Accounting Standards Board (SASB) disclosure topics, and with accounting metrics for the Ecommerce, Industrial Machinery & Goods, and Multiline and Specialty Retailers & Distributors industries. See the appendices of this report for our SASB Standards Index.

Unless otherwise stated, this report represents the ESG efforts of Ritchie Bros.' global operations. This report does not include data from Ritchie Bros.' most recent acquisition of IAA as of March 20, 2023. For more information on IAA's ESG initiatives, please see our [website](#). Financial metrics will be reported in U.S. Dollars (USD) unless otherwise stated. Data is reflective of Ritchie Bros.' fiscal year 2022, which ended December 31, 2022, unless otherwise noted. For more information on Ritchie Bros. and our financial data, please see our [2022 Annual Report](#).



# Trusted Marketplace

At Ritchie Bros. we strive to support our customers' success through trusted relationships, solutions and business practices. We serve as valued advisors to our customers, providing the insights and tools they need to accomplish their business goals. Part of ensuring trust is taking data security and privacy measures that protect the information of our customers, company, and employees. We also uphold our culture of ethics through strong business codes of conduct, policies, and employee training.

In this section:

- Customer Experience
- Data Security & Privacy
- Governance





# Customer Experience

## Overview

At Ritchie Bros., we have built a history and culture around nurturing our customer relationships. Each of our customers' needs are unique. We can't meet them with a one-size-fits-all approach. That's why we treat each customer like a long-time friend, no matter the size of the business, and work collaboratively to address their specific requirements. Our customers trust us to do the right thing and take care of them and their business needs.

Creating a better customer experience is one of our five strategic pillars. We continue to find ways to enrich our customers' experience by making our processes easier, our offerings more complete, and our brands simpler.

Our overarching goal is to understand and support our customers' needs through trusted relationships and solutions.

## Approach

### Digital Experience

We know that the future is digital. Our customers are looking for a seamless and integrated digital experience. We continue to work to provide this experience through two of our strategic pillars:

- Transition to a more modern cloud-based architecture, allowing us to create a single online presence for our customers across all our channels; and
- Build an inventory management system that allows our customers greater access to our marketplaces and services.

We've taken some important strides over recent years to improve our digital experience. Some examples include the addition of videos to our inspection reports, an upgraded mobile platform, and virtual yard walks and equipment demos. In addition, Ritchie ID enables single-customer identity across all Ritchie Bros. digital properties. Ritchie List gives our customers additional options for bringing their equipment to market.

Ritchie Bros. is working to create a unified marketplace to simplify customer touch points and improve user experience. In 2022, we launched our RB 2.0 initiative which involves migrating systems to a more modern, efficient, and automated architecture to transform our digital marketplace for internal and external stakeholders. The Ritchie Bros.' operations team will be able to spend less time on manual system intervention and focus on higher value work to drive a better experience for sellers and buyers. Sellers will be able to take a more tailored approach to selling and list assets more efficiently. Buyers will be able to find the right asset faster and more easily identify complementary parts and value-added services. Upgrading systems also decreases overall environmental impact due to increased efficiencies. RB 2.0 will start to roll out in 2023.

While we're proud of our progress to date, we continue to invest in our technology and infrastructure to build additional flexibility, agility, and convenience into our customer experience.

### Quality Assurance

Maintaining the highest standard for quality assurance is a priority for ensuring the best possible customer experience.



Ritchie Bros. Inspection Services specializes in thorough, accurate equipment condition inspections and comprehensive reports. Our experienced and highly trained team tailors inspections to our customers' needs. That's true whether they're using the results to help them buy, sell, lease, trade, or analyze the condition of machines. In 2022, we completed more than 700,000 equipment inspections, took over 17 million photos, and examined tens of thousands of oil samples<sup>1</sup> in our in-house fluid analysis lab.

Our IronClad Assurance equipment condition certification lets customers know that one of our inspectors has visited the item, taken pictures, and conducted a comprehensive inspection of key systems and components. This ensures that the condition of the equipment received will match what's listed in the inspection report. Sometimes, customers may not be satisfied with the IronClad Assurance and their inspection report. If so, our Dispute Management team works with them to understand the concern, investigate the details of the claim, and determine an appropriate resolution.

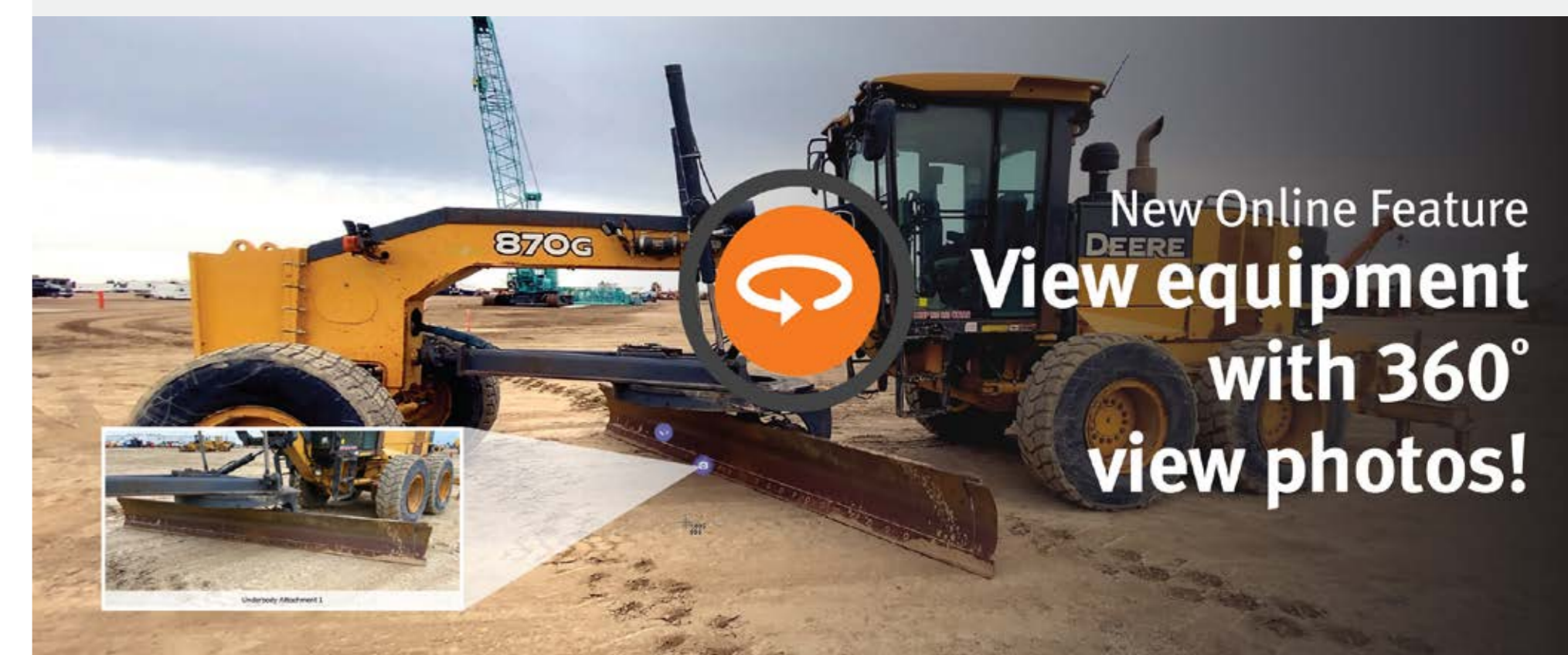
<sup>1</sup> Our 2021 ESG Report overstated the number of oil samples examined. We have corrected in this year's report.

## Performance

### 360 View

As part of our efforts to enhance digital experience and virtual auctions, in 2022, we piloted our new 360 view for specific auctions and equipment. Customers can virtually orient themselves around a 3D image of equipment and zoom in and out on parts as needed. This is a significant improvement for customers to evaluate equipment in more detail, especially for certain components like the undercarriage of a crawler machine, and feel confident in their understanding of the equipment's condition. Customer travel to our sites

will also be reduced due to reliable, online inspections. We have received very positive feedback from our customers so far. One of our consigners shared that this is the way of the future for both buyers and sellers, as it makes the buying experience more interactive and helps sellers better showcase their assets. 360 views will continue roll-out in 2023 across more auctions and equipment.



# Data Security & Privacy

## Overview

Ritchie Bros. continues to evolve our platform to continuously improve our customer experiences. Technology allows us to provide new services and drive efficiencies within our organization, and increases the importance of ensuring security and privacy for us and our customers. We recognize the risks associated with data. We're committed to robust security and privacy measures, controls, accountabilities, and training that will help to protect our company, customers, and employees from cyber threats.

## Approach

### Data Security & Privacy Measures

In developing our approach to data security and privacy, Ritchie Bros. has implemented secure firewalls, invested in high enforcement of end point protection, and mandated multi-factor authentication (MFA) for all users within the organization. This helps to prevent unauthorized external access, and keep our data secure and confidential. We also deploy enterprise-grade security tools to counter phishing, malware, and digital fraud.

Employees and external stakeholders can send any data privacy questions or concerns through our corporate website to our Data Protection Office and Customer Care team, who ensure we address all inquiries. This process helps us comply with regulatory requirements, and reduce the risk of data security and privacy incidents. We use key performance indicators to evaluate our security measures. We strive to maintain a high efficacy ratio around detection, protection, and response in order to maintain a strong cybersecurity posture.

### Data Security & Privacy Governance

To define clear accountabilities for data security and privacy, Ritchie Bros. has created a strong governance structure. Accountability ultimately rests at the executive level, with management focused on growing and investing in the team needed to meet our security and privacy objectives of the organization.

- Data Privacy Committee: Comprised of the Chief Product and Technology Officer, formerly referred to as the Chief Information Officer, and representatives from our Legal, Internal Audit, and Cyber Security teams. The Committee meets quarterly to develop strategies and policies, and assess data security and privacy risks.

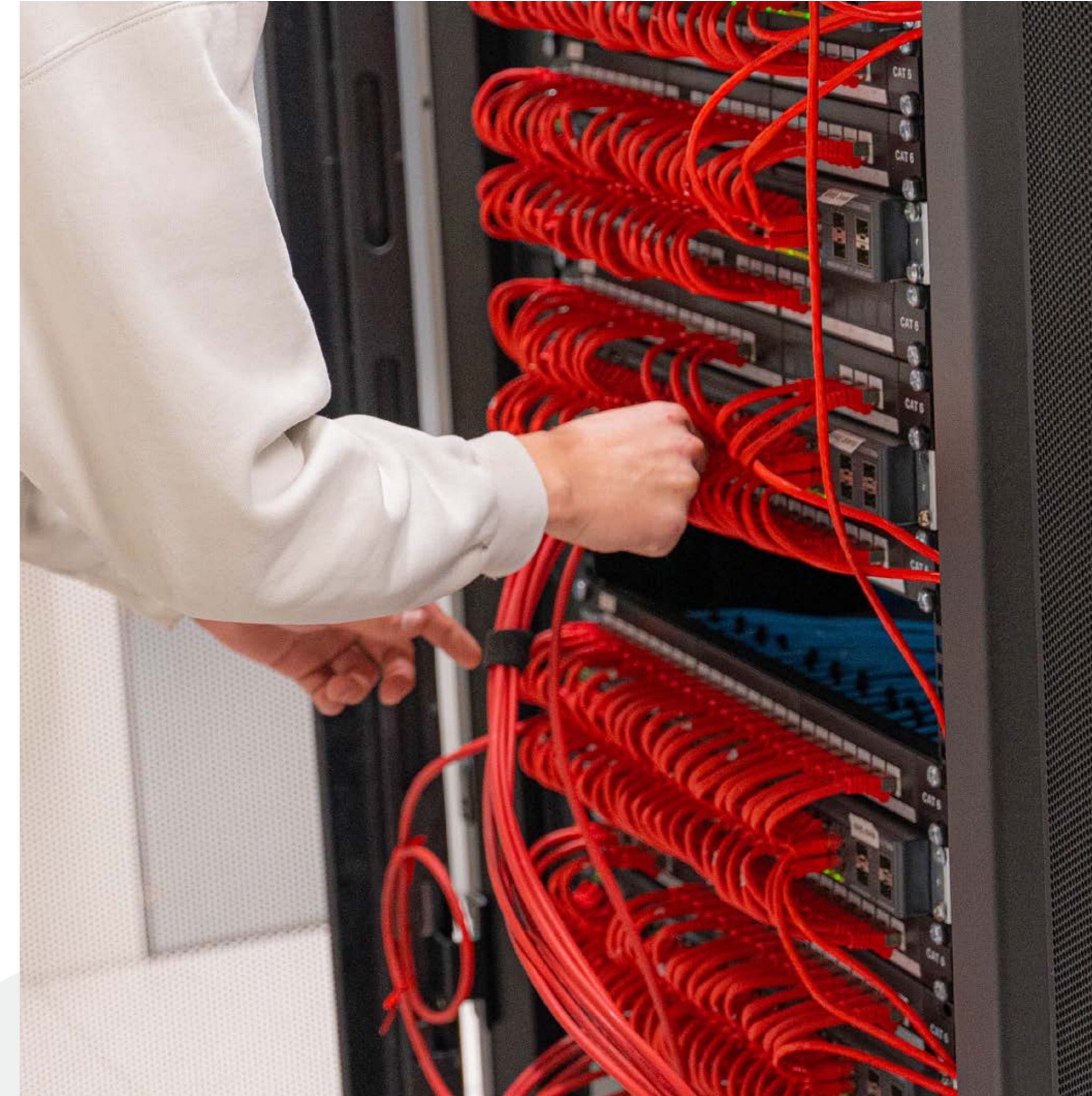
- Security Steering Committee: Includes the same members as the Data Privacy Committee, as well as Team Leads from Infrastructure, Architecture, and Engineering. This Committee identifies and evaluates cyber risks and develops strategies to mitigate them.
- Cybersecurity Operations Center (CSOC): Monitors, detects, and responds to cybersecurity threats. In 2022, we completed the implementation of our security incident event management (SIEM) platform which provides our CSOC team with a centralized view of all alerts in the environment.

### Employee Training and Engagement

Employees are our last line of defense against data security and privacy threats. So we regularly engage our people in data security and privacy training and communicate best practices.

Through our online Security Awareness Portal, employees take part in annual and onboarding training. They cover topics such as social engineering, data privacy, and phishing detection.

To put our training into practice and build additional awareness of data security best practices, we frequently deploy phishing simulations. That involves sending of fake emails to employees and tracking their responses. For employees who fail to identify the phishing indicators, we share additional training materials on data security. Additionally, we send out monthly bulletins that summarize key cyber risk-related stories in the news, and offer tips on upholding our commitments to data security and privacy. security events. Our investments in technology have allowed our teams to continue working securely and with flexibility during these unprecedented times.



# Governance

## Overview

At Ritchie Bros. we have built a reputation based on our commitment to integrity, professionalism and doing the right thing – for our customers, employees, investors, and communities.

That's a critical foundation for performance, as well as for integrating ESG principles across the organization. Strong governance and a culture of business ethics is everyone's responsibility at Ritchie Bros.

## Approach

### Board Governance

Our Board of Directors is responsible for the overall stewardship of the company. Directors are elected annually and are independent, with the exception of our Chief Executive Officer. To enable the Board to meet its objectives, we have three committees of independent and unrelated directors:

- The Nominating and Corporate Governance Committee oversees activities related to ESG, governance, and nomination of directors.
- The Audit Committee oversees our risk management processes, financial reporting, and matters related to legal and regulatory compliance.
- The Compensation and Management Development Committee oversees issues pertaining to management and director compensation, management succession planning, stock and benefits plans, and risk assessment of compensation policies and practices.

For more information on our corporate governance please visit the [Investor section of our website](#).

### Board Diversity

We value the organizational strength, deeper problem-solving ability, and opportunity for innovation that diversity brings to the Board.

We have adapted our Board's [Director Selection Guidelines](#) to reflect this commitment to diversity. It includes a measurable objective that at least 25% of the Board be comprised of women. The Board's Nominating & Corporate Governance Committee selects candidates for nomination and appointment to the Board to meet our minimum target female representation.

### ESG Governance

We continue to embed our ESG efforts across our functional areas and operations. To support and deliver against our ESG

commitments, we have updated our governance structure, and will continue to evolve it to better enable ESG implementation and integration.

- The Nominating & Corporate Governance Committee of our Board provides oversight of our enterprise ESG strategy.
- Our Chief Financial Officer (CFO) serves as the executive owner for Ritchie Bros.' ESG strategy, disclosure, and governance. The CFO is responsible for ensuring appropriate oversight from Board and Executive Management of key ESG issues and efforts.
- Our Vice President of Risk Services & ESG is accountable for creating and executing our ESG strategy and disclosures, and working with key business partners and groups to meet our commitments.
- The ESG Steering Committee provides strategic direction and oversight of ESG across key business functions.
- The ESG Working Group is responsible for implementation of ESG initiatives across the organization, as well as supporting the measurement and communication of progress internally and externally.

## Risk Management

At Ritchie Bros., risk management is a responsibility we all share. We carry it out through everything from our [Code of Business Conduct and Ethics](#), to our Core Values, to the actions we take every day to uphold our reputation.

We've established an Enterprise Risk Management (ERM) Framework to support us in identifying, assessing, and managing risks appropriately. That includes prioritizing key risks, formalizing risk-related accountabilities and oversight, defining the Board's risk governance responsibilities, and reinforcing our culture around risk management.

Within our established ERM processes, we regularly review our enterprise risks and assess them from several perspectives. Among them are impacts to growth and shareholder value, our brand promise, day-to-day operations, legal and compliance, and ESG performance. We continue to embed risk management across the organization. Our cross-functional teams to collaborate on emerging risks such as cybersecurity, privacy, safety, and key operational areas of focus.

## Business Ethics

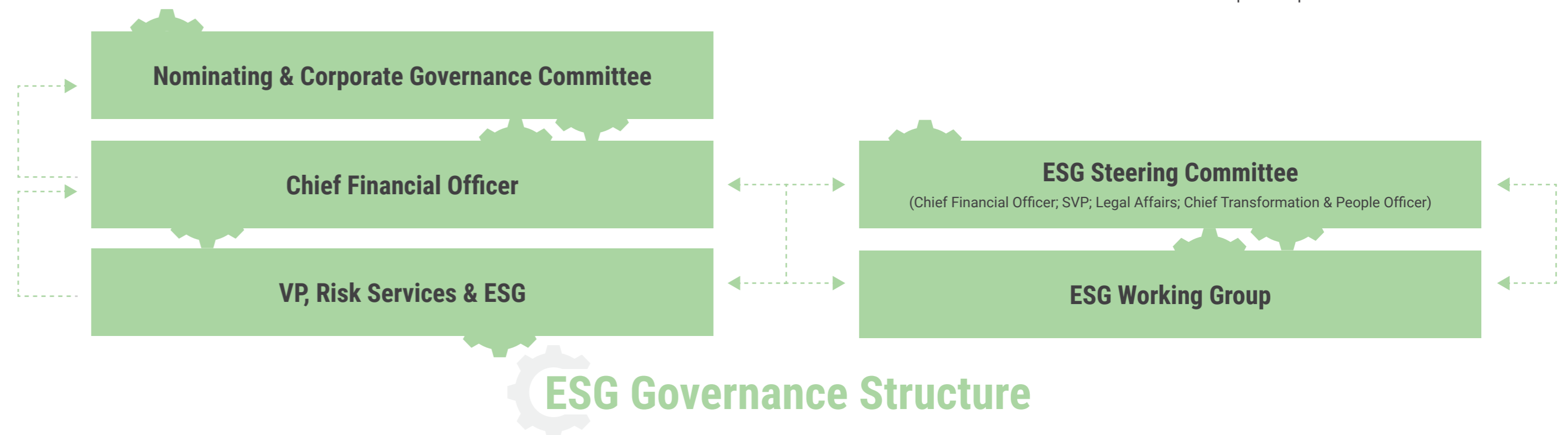
Our [Code of Business Conduct](#) and Ethics helps our employees, officers and directors understand what we mean by ethical

behavior. This Code personifies our core values of Unity, Integrity and Vision. It helps us make sound legal and ethical choices every day, and ultimately preserve our reputation and commitments to:

- Our employees to create a safe and fair workplace free of harassment, discrimination, and unfair labor practices;
- Our customers and company to ensure fair and ethical practices, including treating all individuals with respect and recognizing basic human rights;
- Our company and investors to protect company assets, engage in fair competition, and ensure transparent and accurate reporting; and
- Our communities to be a strong corporate citizen, including respecting and complying with all applicable wage and hour laws in the locations where we operate.

At Ritchie Bros., we believe in doing the right thing for everyone involved in our business, and seek to do business with third parties who follow similar principles. We expect that our suppliers and other business partners will uphold our commitment to freedom of association, and appropriate wages and working hours for all employees.

We deliver annual mandatory training to our employees to reinforce awareness and understanding of our Code, and the actions we all can take to put these principles into practice. We also have an independent third-party Ethics Hotline for questions about our Code or reports of possible violations.



## Performance

### Board Diversity

We continue to exceed our Board diversity target and are proud that four of nine (44%) Board members are female.

### Code of Business Conduct Training

In 2022 we have recorded more than 96% of full-time employees having completed the relevant training sessions. Each year, our Board of Directors also completes the Code of Business Conduct training to renew their commitment to responsible business practices.

### ESG Skills Matrix

As part of its role in providing oversight of our enterprise ESG strategy, our Nominating & Corporate Governance Committee regularly evaluates our approach to ESG governance. To that end, the Committee seeks to ensure that we have the right level of skills and expertise at the board level. In 2022, the Committee facilitated an ESG skills matrix assessment for our Board of Directors to evaluate each board member's relevant knowledge and experience. These types of evaluations assist the Nominating & Corporate Governance Committee in planning future continuing education, areas of focus, and board recruitment.



Performance Summary	2021	2022
<b>Female Representation of The Board</b>	<b>44%*</b>	<b>44%</b>
<b>Code of Business Conduct Training Completion (Full-Time Employees)**</b>	<b>97%</b>	<b>96%</b>

\*Data is as of November 1, 2022

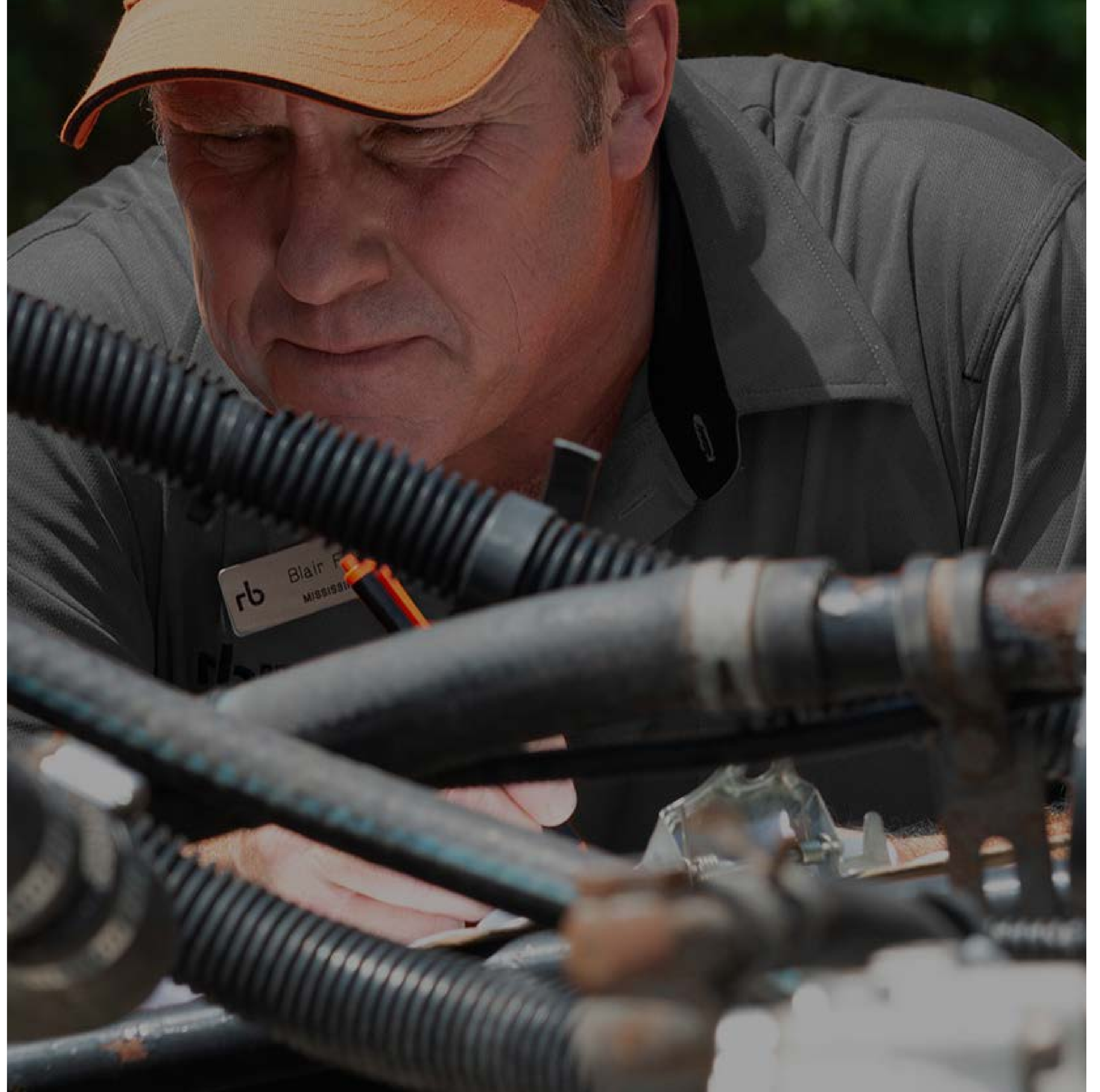
\*\* Training completion includes full-time employees only. Part-time employees and contractors are not included. In 2021, SmartEquip employees are not included in the calculation due to onboarding occurring after the acquisition was closed on November 2, 2021.

# Sustainable Future

Everyone has a stake in combatting climate change and a role in making it happen. Expectations are growing. So are our actions. To support the transition to a low-carbon economy, Ritchie Bros. is advancing circular economy solutions and continuing to reduce our environmental impact. Extending the life of heavy equipment and trucks is core to our business model; that's how we create value for our stakeholders every day. Another priority is doing our part to mitigate climate change by measuring and managing our greenhouse gas (GHG) emissions. We see it as our responsibility to manage the environmental impacts of our operations, including addressing our waste and water use, and minimizing our air emissions.

In this section:

- Circular Commerce
- Climate Change
- Environmental Management



# Circular Commerce

## Overview

The world is moving away from a linear take-make-waste economy. In a more circular system, products are increasingly reused, refurbished and recycled before being disposed. This poses a huge opportunity for Ritchie Bros.

We're a trusted global marketplace for insights, services and transactions solutions for commercial assets. As such, we enable our customers to extend the life of heavy equipment and trucks by providing access to buyers and sellers globally, and the insights needed to optimize their repair and maintenance. Giving previously-owned assets a next life not only benefits our customers' bottom line. It also reduces waste, and lessens the need to extract natural resources to produce new equipment.

Ritchie Bros.' role in supporting the circular economy, which we have been playing for over 60 years, is more critical now than ever. We will continue to serve our customers in a way that creates value for their business and for society.

## Approach

Circular commerce is at the core of our business model. We continue to invest in innovative products and services that enable Ritchie Bros. to strengthen our approach across the organization.

### **rb RITCHIE BROS. Financial Services**

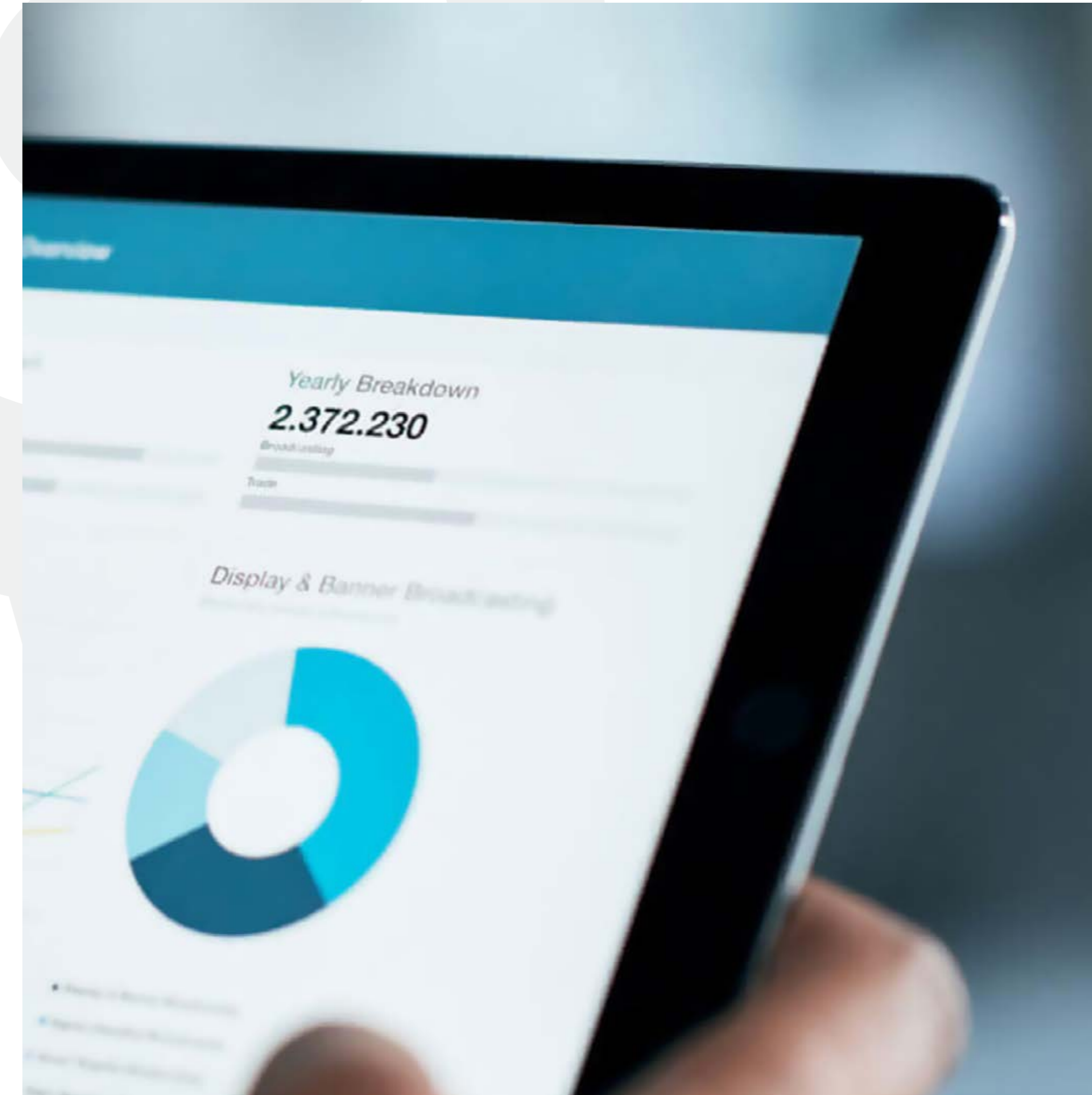
Ritchie Bros. Financial Services play a key role in enabling our customers to extend the life of their equipment. Our **PurchaseFlex™** product recognizes the useful life far beyond what traditional lenders might. That enables our customers to finance their purchases and give previously-owned assets another life. For more information on Ritchie Bros. Financial Services, please see the Economic Opportunity section.

### **SmartEquip®**

Customers are looking for ways to more effectively maintain and repair their equipment, which are critical ways to extend their useful life. To enhance our services to help them do so, we added SmartEquip to the Ritchie Bros. family in 2021. This innovative technology platform better supports our customers in managing the lifecycle of their equipment, and procuring parts more easily from OEMs and dealers.

### **ROUSE**

Our customers want to optimize their fleet through equipment purchase, resale or rental. All are key elements of circular commerce. Knowing when to make those decisions requires insight. That's why Ritchie Bros. acquired Rouse Services, a leading provider of data intelligence and performance benchmarking solutions. Rouse's solutions include rental analytics, equipment sales support, and fleet appraisals. That provides the timely information and deep understanding our customers need.



# Climate Change

## Overview

Climate change requires everyone to do their part. Our industry is acutely aware of this issue given our role in dealing with heavy equipment and trucks for sectors including construction, transportation, oil and gas, and farming.

At Ritchie Bros., we have a responsibility to our customers, shareholders, and communities to be part of the solution to the climate crisis. We make an impact on mitigating climate change through our services as well as the actions we take within our own operations.

For our customers, we enable them to reduce their footprint by extending the useful life of equipment. For ourselves, we continually track our greenhouse gas (GHG) emissions and innovate to reduce them.

### Our Goal

We commit to measuring and managing our greenhouse gas emissions to support a transition to a low-carbon economy.

### Our Target

We will complete our baseline Scope 3 inventory by 2023.

### Our Progress

Complete

## Approach

### Understanding Our Emissions

We recognize the importance of understanding our GHG emissions to inform how we'll reduce our footprint over time. We calculate our Scope 1, 2, and 3 GHG emissions using recognized standards and protocols, such as the GHG Protocol. All of Ritchie Bros.' business units and locations are included in our emissions inventory.

To calculate our emissions, we had to make several estimations and assumptions. We use a cost-based calculation method using cost factors to convert our spend in key areas to estimate associated emissions. Wherever possible, we used the most recent global warming potential values (GWP) from the IPCC's Sixth Assessment Report (AR6).

We take care in making assumptions to reliably estimate our GHG emissions in a standardized way and are committed to continuously improving our process. We will update our baseline inventory if there are significant operational changes, significant acquisitions and divestments, and/or more accurate information becomes available to update historical data in the future.

### Our Baseline Inventory

We developed our baseline Scope 1 and 2 emissions inventory in 2021. Our Scope 1 and 2 emissions are related to the energy used by our sites, including natural gas, electricity, and fuel combustion from our sites' vehicle fleet.

This year, we completed our Scope 3 emissions inventory as targeted. Our first step was evaluating and prioritizing all Scope 3 emissions categories to understand which are the most material to our business. As a result, we developed our baseline Scope 3 emissions inventory for 2022 across eight key categories:<sup>1</sup>

- Purchased goods and services
- Capital goods

- Fuel- and energy-related activities
- Upstream transportation and distribution
- Waste generated in operations
- Business travel
- Employee commuting
- Use of sold products

The remaining seven categories were excluded as they are not applicable to Ritchie Bros. or we do not have reliable data sources. We'll continue to measure our GHG emissions inventory to find ways to reduce our emissions in future years.

### Process Improvements

We're continually working to improve the efficiency and effectiveness of our operations to better serve our customers and lessen our environmental footprint.

Our virtual ramping process is a prime example. It allows large machines like excavators to be sold from a tent by video screen, and eliminates the associated emissions from moving them across the ramp for buyers. We've now switched to virtual ramping for all of our auctions.

We've also transitioned the vast majority of our auctions to a virtual format. Sellers can offer equipment directly from their premises, avoiding the emissions associated with transporting equipment, buyers, and auctioneers to our auction site.

Our yard lanes and processes are designed to be efficient and user friendly. For example, we reduced the number of times we need to start and move equipment, and optimized our equipment delivery and loadout schedules to reduce customer wait times and idling in the yard.

### Facilities Management

We're always looking for opportunities to improve the efficiency of our facilities to minimize our energy consumption. In 2022, we completed 12 different LED-related projects at various facilities to reduce our energy usage. We continue to build all new sites with energy efficient LED lighting and retrofit existing facilities to LEDs.

## Electrification

We're building up our infrastructure to support the adoption of electric vehicles (EVs). That includes providing EV charging stations, for staff and customer use, at our facilities in Burnaby, British Columbia; Lincoln, Nebraska; Pleasanton, California; and Breda, Netherlands.

We're also piloting electric yard vehicles at our site in Edmonton, Alberta. We purchased Chevrolet Bolts that are being used by our inspector team to traverse the yard. The pilot has been very successful as the compact vehicle size facilitates travel through the yard with enough capacity to

carry essentials needed to complete daily tasks. We hope to expand our EV fleet in the future as manufacturing accelerates and our current vehicles require replacing.

In the next five years, we aim to equip all facilities with EV charging stations. Our goal is to help our customers and employees switch to EVs, create opportunities to electrify our yard equipment, and prepare for the shift towards sales of electric equipment.



<sup>1</sup> For more information on guidance and definitions for Scope 3 categories, please visit <https://ghgprotocol.org/standards/scope-3-standard>

## Performance

### GHG Emissions

In 2022 we produced a total of 46,973 metric tonnes (tCO<sub>2</sub>e), with 31,755 tCO<sub>2</sub>e attributed to Scope 1, and 15,218 tCO<sub>2</sub>e attributed to Scope 2. Our Scope 1 and 2 emissions increased by 1.5% compared to our 2021 baseline which is consistent with our business growth. Our largest source of emissions are indirect emissions from our electricity consumption at our facilities, representing 32.40% of Scope 1 and 2 emissions.

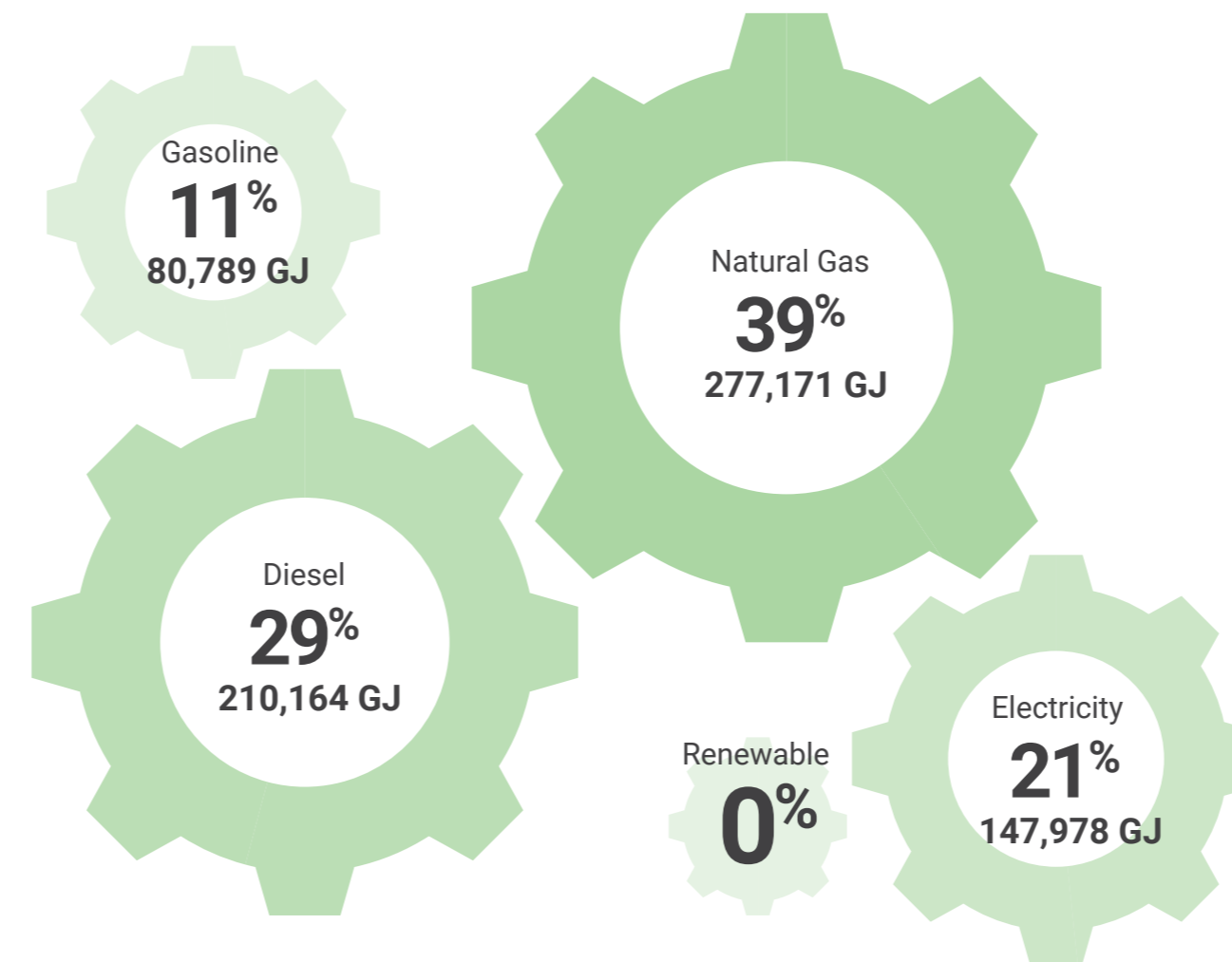
In 2022 we also completed our baseline inventory of our Scope 3 GHG emissions. Our value chain emissions for key categories came to a total of 61,458,175 tCO<sub>2</sub>e. Our largest source of emissions is from the use of sold products, representing 99.73% of our Scope 3 emissions. This category includes emissions related to the estimated lifetime fuel usage of the assets we have sold.

### Energy Use

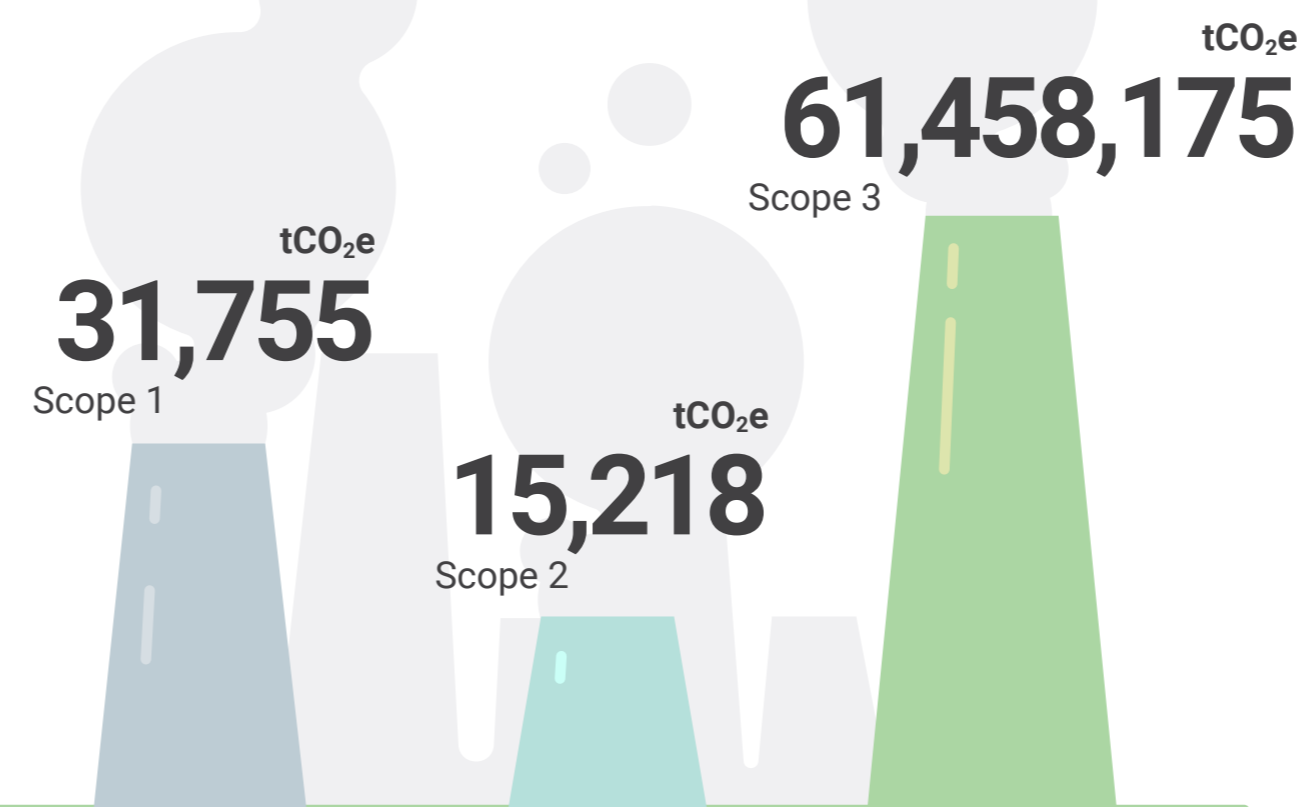
In 2022 we consumed an estimated 716,101 gigajoules (GJ) of energy from sources including diesel, natural gas, gasoline, and electricity. Grid electricity represents approximately 21% of our total energy use.

We are working to increase our use of renewable energy. We recently installed solar panels at our Brisbane and Geelong locations in Australia. Already, we've seen a 32% reduction our use of grid electricity at those locations. We're working to collect more reliable data to calculate our renewable energy consumption in future years.

### 2022 Energy Mix



### 2022 GHG Emissions



Performance Summary	2021	2022
Scope 1 GHG Emissions	32,520 tCO <sub>2</sub> e	31,755 tCO <sub>2</sub> e
Scope 2 GHG Emissions	13,741 tCO <sub>2</sub> e	15,218 tCO <sub>2</sub> e
Total Scope 1 and 2 GHG Emissions	46,261 tCO <sub>2</sub> e	46,973 tCO <sub>2</sub> e
Scope 3 GHG Emissions	N/A	61,458,175 tCO <sub>2</sub> e
Total Energy Consumed	653,706 GJ	716,101 GJ
Diesel Energy (% of Total)	248,433 GJ (38%)	210,164 GJ (29%)
Natural Gas Energy (% of Total)	189,813 GJ (29%)	277,171 GJ (39%)
Gasoline Energy (% of Total)	75,486 GJ (12%)	80,789 GJ (11%)
Electricity Energy (% of Total)	139,976 GJ (21%)	147,978 GJ (21%)
% Renewable Energy	0%	0%

#### Scope 3 Emissions Categories

Category 1: <b>Purchased Goods and Services</b>	124,189 tCO <sub>2</sub> e
Category 2: <b>Capital Goods</b>	21,343 tCO <sub>2</sub> e
Category 3: <b>Fuel- and Energy- Related Activities</b>	10,982 tCO <sub>2</sub> e
Category 4: <b>Upstream Transportation and Distribution</b>	2,882 tCO <sub>2</sub> e
Category 5: <b>Waste Generated in Operations</b>	468 tCO <sub>2</sub> e
Category 6: <b>Business Travel</b>	2,128 tCO <sub>2</sub> e
Category 7: <b>Employee Commuting</b>	6,544 tCO <sub>2</sub> e
Category 11: <b>Use of Sold Products</b>	61,289,638 tCO <sub>2</sub> e



# Environmental Management

## Overview

At Ritchie Bros, we work to prioritize the health of our environment throughout our site operations. To ensure we're doing our part to protect our surrounding environments, we have implemented practices at our sites to:

- Manage our water consumption;
- Keep our air clean and safe;
- Reduce our waste footprint; and
- Promote sustainable habits for our employees.

We recognize our responsibility to be stewards of the communities in which we operate, and are committed to creating a future-forward environment at our sites and corporate headquarters.

## Approach

### Yard of the Future

At Ritchie Bros, we're constantly looking for innovation opportunities in our auction operations. As part of our work to develop our "Yard of the Future", we're building state-of-the-art sites in California and Ontario. Here are four ways we're achieving a new level of efficiency.

- **Layout:** The layout of these yards is being designed to centralize operations and create a streamlined flow through the site to minimize the handling and associated fuel consumption of equipment and trucks.
- **Reduced footprint:** The size of our auction buildings will be smaller with our shift to virtual ramping. We're designing some sites to include auction experience lounges where customers can participate in live virtual auctions together, enabling peer to peer connections.
- **High-efficiency infrastructure:** The facilities will be set up with electric vehicle charging and LED lighting. Where appropriate, solar panels will also be considered.
- **Painting:** No painting will be completed on site, minimizing our emission of Volatile Organic Compounds (VOCs).

Our Yards of the Future are fundamental to our ESG strategy. Operational efficiency and digital enablement are top of mind for building these sites. We're excited to start construction in 2023.

### Satellite Yards

We strategically locate satellite yards between permanent sites to reduce equipment travel distance and improve customer experience. Along with reducing customers' travel emissions, these yards have a minimal footprint to reduce overall environmental impact.

### Water Management

At many of our refurbishment facilities, we wash heavily-used equipment each day. So, it's critical for our sites to have strong processes to appropriately treat water after use, and minimize our water consumption. All refurbishment facilities are equipped with treatment systems that ensure the safety of our wastewater. Nearly all our sites reuse their water to wash equipment.

### Air Emissions

We're committed to ensuring our sites maintain safe and healthy air quality for our customers, employees, and surrounding communities. All sites with painting booths are equipped with air filtration to remove paint particles and contaminants from air exhaust. Additionally, all sites with sand-blasting booths use dust collection units. They remove particulates out of the air before venting back into the environment.

### Waste Management

We embed practices for managing our waste footprint into our day-to-day operations. Using the appropriate recycling bins and processes, our sites and offices work continuously to reduce our waste footprint. We continue to implement initiatives to engage our employees to reduce the waste we produce each day.

### Corporate Offices

Change starts at home, so our corporate headquarters in Burnaby, B.C. is built to encourage all employees to engage in sustainable habits. In addition to achieving LEED certification, our headquarters in Canada, the U.S., and the Netherlands have electric vehicle charging and multiple recycling stations on each floor. We even have rooftop gardens with beehives that we harvest to make sustainable products to give our employees, such as honey and lip balm, at our offices in Burnaby, B.C. and Lincoln, Nebraska. Additionally, our European headquarters in Breda, Netherlands makes bikes available on site for employees to promote sustainable transportation.

## Performance

### Significant Spills

A key performance indicator of our environmental management practices is the number of significant spills in our global facilities. In 2022 we had none to report.



Performance Summary	2021	2022
Significant Spills In Our Global Facilities	0	0

# Empowered People

Ritchie Bros. aims to unleash the potential of our people by fostering a safe, equitable and inclusive environment for all. We do so at all levels of the organization. Beyond that sense of belonging, we empower employees to create unique and fulfilling career paths through leadership development and well-being programs. For broader well-being, we ensure a safe and healthy environment for our employees, customers, and contractors.

In this section:

- Diversity, Equity & Inclusion
- Talent & Development
- Health & Safety



# Diversity, Equity & Inclusion

## Overview

At Ritchie Bros., we aspire to have a culture that fosters respect, inclusion and opportunity of growth for all. We want our teams to understand the strength of diversity, the power that comes from an inclusive environment, and the positive effect on our employees, customers, suppliers, shareholders, and community members. We are committed to investing the time and resources needed to ensure we continue to live up to our vision.

### Our Goal

We will enable our people and business to reach their full potential by fostering a diverse workforce and creating an inclusive and equitable culture for all.

## Approach

### Our Stand for Diversity

In 2015 we established a [diversity policy](#) outlining our commitment to fostering a diverse and inclusive workplace for all, regardless of gender, religion, race, nationality, ethnicity, language, sexual orientation, disability, age, and other areas of significance. Under this policy, our Board of Directors and our management each have clear responsibilities.

#### The Board is responsible for:

- Proactively monitoring our diversity, equity & inclusion (DE&I) efforts;
- Reviewing our goals, targets, and initiatives annually; and
- Considering diversity in the selection criteria for new Board members.

#### Management is responsible for:

- Creating a diverse, equitable, and inclusive workplace through programs and initiatives;
- Reporting to the Board on key achievements and progress; and
- Promoting a work environment that values and leverages the unique contributions of employees with a variety of backgrounds, experiences, and perspectives.

### Building a Diverse Talent Pipeline

Part of building a diverse, equitable, and inclusive culture is ensuring we actively reach diverse candidates. To help do so, Ritchie Bros. has partnered with DiversityJobs.com. We have seen positive results from our talent engagement activities, including increased search result impressions, job description views, and job applications among diverse applicants. Our

partnership will play a key part in continuing to evolve our talent pipeline.

### Management and Employee Training

We acknowledge we're all at different stages of our diversity, equity & inclusion (DE&I) journey. Training is essential to creating a shared understanding and moving in the same direction together.

In 2022, we launched our diversity, equity & inclusion training to understand personal biases and continue to create an inclusive work environment. This training works to expand our mindsets around diversity to go beyond race and gender and emphasizes the importance of listening to others' experiences and perspectives that may be different than our own. Our goal is to better understand one another and acknowledge our unconscious biases to make more informed decisions. One of our participants shared, *"That was the best workshop that I've ever had as a manager here at Ritchie Bros."*

In only four months, we've already seen strong interest and participation. Training sessions were initially offered to our most senior level leaders and then cascaded to all people leaders and full-time employees. Ritchie Bros. employees have been certified as facilitators to deliver the training and will continue to facilitate sessions in 2023. In the future, we plan to develop e-learning modules to broaden our reach as we continue to foster a culture where everyone feels like they belong.

### Employee Resource Groups (ERGs)

Our Employee Resource Groups (ERGs) are another important element of creating an inclusive environment at Ritchie Bros. ERGs are voluntary, employee-led groups, supported by our People Team. They help to create a culture that fosters respect, inclusion, and opportunity of growth for all, where everyone feels like they belong. While each ERG is unique, they share three common goals:

- Support the broader community of focus through volunteerism and charitable giving.
- Provide opportunities for networking and personal and professional development for ERG members and Ritchie Bros. colleagues.
- Educate and raise awareness around the contributions made, and issues faced by, the ERG's community of focus.

We have four ERGs at Ritchie Bros., and will leverage this model to support additional ERGs that meet our employees' diverse needs.

### Women's LINK

Ritchie Bros.' first ERG, Women's LINK, was established in 2018 to promote gender diversity and equality at all levels of the organization. In 2022, Women's LINK continued its Spotlight Series promoting women's visibility at Ritchie Bros. by showcasing real-life experiences and stories. Each spotlight focuses on one woman leader who shares advice and recommendations for other women who would like to advance as leaders. While initially only available internally, we've started sharing these stories externally as well on [Ritchie Hub](#).

### Black Lives Matter (BLM) Committee

Established in 2020, the BLM Committee emphasizes hiring, developing, and nurturing talented Black people at all levels of the organization. It also works to bring awareness to, and help eliminate, barriers and stereotypes the Black community continues to experience. In 2022, the ERG released a feature on how colleagues have a positive impact in their communities in honor of Martin Luther King Jr. Day, which is considered a day of service in the U.S. For Black History Month, BLM Committee members participated in a panel discussion that was shared across the organization on what Black History Month means to them and the importance of equal opportunity for everyone.



### Pride (LGBTQ+) ERG

The Pride ERG was established in 2021 to support Ritchie Bros. in being a welcoming and inclusive workplace for lesbian, gay, bisexual, transgender, queer or questioning, and non-binary (LGBTQ+) employees. The plus represents inclusivity of all gender and sexual identities, such as intersex, Two-Spirit, asexuality, and pansexuality. In 2022, the Pride ERG released several feature stories. On National Coming Out Day, one member shared their own coming out story and the support they felt from their colleagues. They also shared recommendations on how to support someone if they choose to come out. Another feature story was focused on the significance and meaning of nine different Pride flags to increase awareness and support for the wide range of groups and diversity that exists within the LGBTQ+ community. In support of Pride Month, the ERG designed electronic Ritchie Bros. Pride badges for employees to share on social media or add to email signatures.

### SERVE (Military) ERG

Also established in 2021, the SERVE ERG embraces our proud community of military service members and veterans, as well as colleagues who have family members who are serving or who have served. In celebration the Lincoln, Nebraska community we operate in, the Ritchie Bros.' Lincoln office, in partnership with SERVE ERG, was the main sponsor of the 2022 Lincoln Marathon. They also sponsored a local veteran, Ron, to run his first full marathon in 24 years. Ron shared, "Having a granddaughter influenced me to improve my health and wellness in order to spend quality time with her and my family." Ritchie Bros. and the SERVE ERG are very proud to have been a part of Ron's journey.

Diversity, Equity & Inclusion Training Completion (full-time employees)	2022
<b>Vice President or Above</b>	<b>62%</b>
<b>People Leaders</b>	<b>41%</b>
<b>Employees</b>	<b>11%</b>

## Performance

### Gender Representation

As part of understanding where we're at in our DE&I journey, we measure gender diversity across all levels of the organization. In 2022, we continued to exceed our Board gender diversity target of 25% representation of women by maintaining 44% female representation. Over the past year, we have increased the representation of women in vice president or above positions. However, we've seen a decline in representation of women at executive management, director or above, and technical staff levels. The decrease in female technical staff is largely due to job framework updates and role re-grading.

We acknowledge there is still work to be done. We're currently gaining an understanding of how we can better promote gender parity, particularly in leadership positions. We'll use this information to define gender diversity targets in the future.

### Diversity, Equity & Inclusion Training

To date, 62% of our senior leaders, in vice president or above roles, and 41% of our people leaders completed the diversity, equity & inclusion training. After our facilitators became certified in the second half of 2022 to deliver the training to our employees, 11% of our employees completed the training. We'll continue to offer this training throughout 2023.

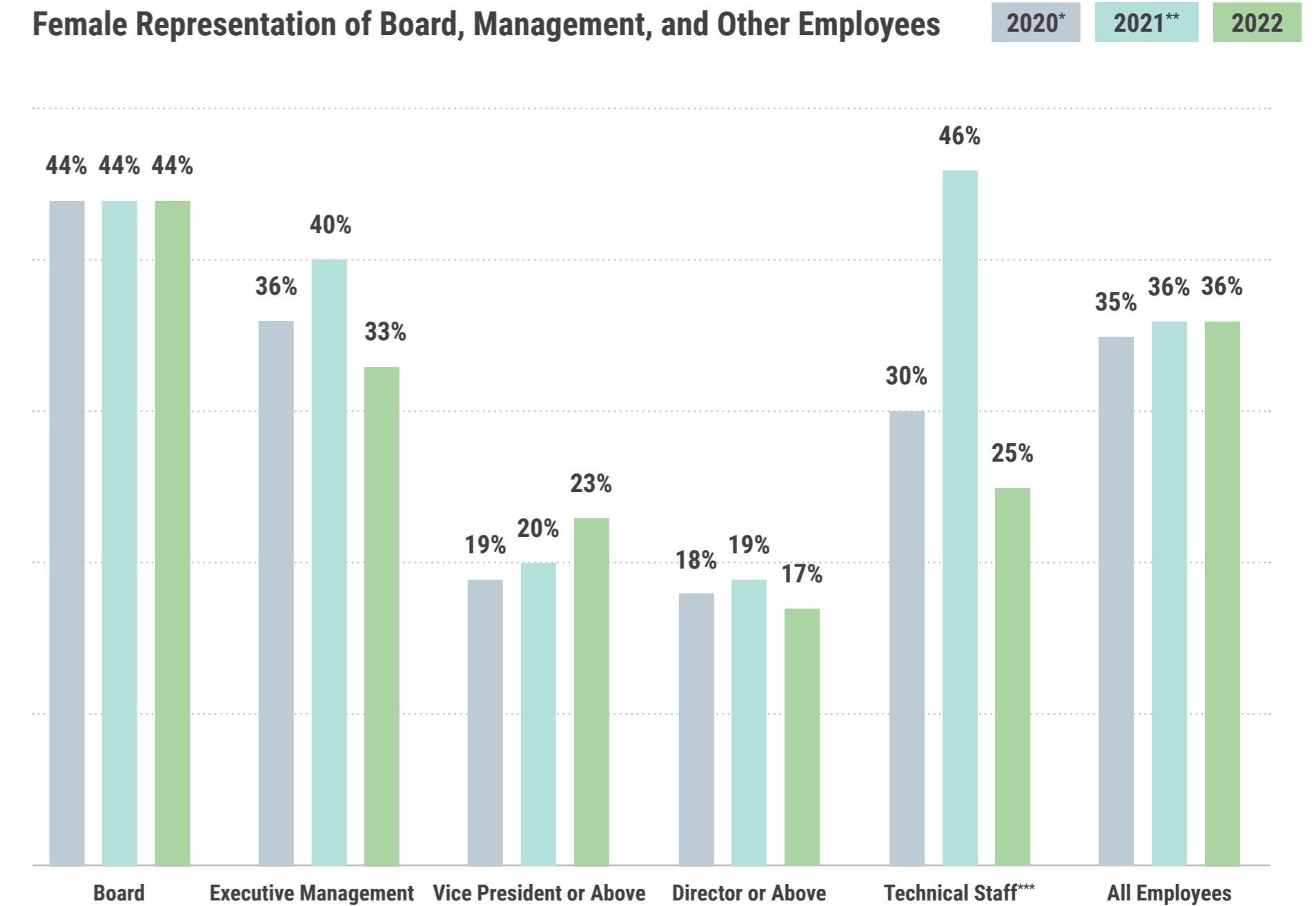
### The Art of Leadership Conference

As part of Women's LINK's mission to provide development opportunities, the ERG sponsored 16 employees to attend The Art of Leadership conference in Vancouver. Attendees gained practical tips and innovative strategies to expand their leadership skills and drive positive change within their teams and across Ritchie Bros.

Lisa, Women's LINK member, shared, "I really enjoyed the day and was honored to hear from a variety of speakers on topics such as disruption and innovation, diversity and inclusion, culture and retention, performance and accountability, and leading through difficult times. There were many valuable insights that I'm sure will start some great discussions within my team. Thank you to Ritchie Bros. and Women's LINK for providing the opportunity to attend this event."



### Female Representation of Board, Management, and Other Employees



\*2020 data is as of December 31, 2020, and may differ slightly from those reported in our [2020 ESG Report](#), which represented year-to-date results as of August 2020.  
 \*\* To align with our [2022 Proxy Statement](#) for FY2021, 2021 data is as of March 1, 2022, with the exception of Board representation which is as of November 1, 2022  
 \*\*\* Technical staff represents Ritchie Bros.' IT function, which includes corporate IT and engineering roles. In 2022, roles included Ritchie Bros.' IT function significantly changed. The decrease from 2021 to 2022 is largely due to job framework updates (see Talent & Development section) and role re-grading, resulting in metrics not being directly comparable.

# Talent & Development

## Overview

At Ritchie Bros., people are our greatest asset. We want them to know they are valued and that we are invested in their development. We empower our employees to create unique and fulfilling career paths through integrated skill-building, leadership development, and employee well-being programs. Engaged employees are paramount to the health and success of our business, and our teams' leadership capabilities are a critical factor in that engagement.

We've prioritized employee experience as one of the five pillars in our [Corporate Strategy](#). We'll continue to invest in training to develop leaders' and employees' skills across areas such as communication, coaching, problem solving, collaboration, and change management.

### Our Goal

We commit to working alongside our people to co-create rewarding careers and opportunities, tailored to their personal and professional goals.

## Approach



## Performance Management

We use the 4X4 Quarterly Conversation Framework to drive performance and ongoing engagement throughout the year. More frequent conversations foster meaningful dialogue between managers and direct reports on employee accomplishments and challenges, opportunities, support needed, and priority actions. Managers are supported with resources to help guide these conversations and all full-time employees are encouraged to maintain development plans that focus on their functional and career growth.

## Career Development

The [Transition to Leadership Program](#) is offered to newly promoted and first-time managers. Over six weeks, they gain the practical know-how and confidence needed to inspire, delegate, and communicate effectively in their new role. The curriculum covers topics ranging from understanding their roles as leaders to driving employee engagement. Weekly assignments help managers apply the curriculum on the job.

[Coaching for Success](#) is a foundational course for our leaders. Delivered in workshops, the course centers around key coaching behaviors and skills. Some elements covered include the qualities of an effective coach, structuring coaching conversations, and assisting employees with creating actionable development plans.

We concluded the roll-out of our [Human Motivation Model](#) to help leaders understand their key motivators and ways to boost their performance. In 2022, we continued to offer team building experiences on a requested basis to support our people leaders and their teams in gaining insights on how they can operate at their highest level.

## Job Framework

We're working to update our job framework to ensure we pay competitive wages, recognize and reward individual and group performance, and provide clear career pathways to support employee growth and development. In 2022, we completed the majority of the work and launched phase one across the organization by assigning competencies, career ladders, and compensation ranges. Some of our goals include:

- Simplify our pay structure to be clearer and more transparent for employees;
- Offer market-competitive pay across similar jobs;
- Deliver tools and data for leaders to inform compensation decisions; and
- Create clear standards for participation in different incentive programs.

This updated framework sets the foundation for building clear, consistent career paths. In 2023, we'll conclude the job framework initiative by completing the evaluation of sales roles.

## Training and Education

Ritchie Bros. has invested in developing a portfolio of training and education programs to meet our employees' unique needs and goals.

All full-time employees have access to instructor-led courses as well as our learning management system (LMS). It offers over 3,000 online courses, videos, books, and other resources for personal and professional growth. We also offer a variety of webinars to employees to advance skill development, personal effectiveness, and leadership potential.

Adapting to our flexible work model, Ritchie Bros. has curated tools, resources, and training programs to help employees adjust to remote work and collaborate effectively. On top of these training resources, our Tuition Reimbursement Program provides financial assistance to support eligible additional professional development courses.



## Performance

### Investing in Training

To support our talent and provide ample opportunities for growth, Ritchie Bros. invested \$1.48 million in training and development in 2022. Our investment decreased from the prior year due to our sales programs being paused and rescheduled for a future date. In 2022, we instead focused on onboarding and training of our new Inside Territory Manager role (see Sales Coverage Model section).



### Training Hours

We also monitor time spent on training through our LMS. In 2022, our employees spent an average of 2.9 hours in online training programs that furthered their professional development. In 2023, we're looking to increase usage by aligning and integrating LMS content with our core, in-house development programs to provide a blended learning approach.

### Career Development

It's important to us that our employees find a fulfilling career at Ritchie Bros. Hiring from within is one way we ensure career development opportunities for our teams. In 2022, we filled 20.4% of vacancies through internal promotions or transfers. We pride ourselves as being a place where our employees can have long-lasting careers. In 2022 our voluntary turnover rate was 13.9%, and our involuntary turnover rate was 5.1%.

### Sales Coverage Model

Our goal has always been to achieve growth through effective customer service. In 2022, we evolved our sales coverage model by splitting the traditional, geographic Territory Manager model into dedicated Account Managers, Business Development Managers, and Inside Territory Managers, each focused on existing, new, and long-tail customers respectively. We saw an opportunity to improve our approach to helping U.S. long-tail customers with this new sales coverage model. As a result, Ritchie Bros. invested in additional Inside Territory Managers and Territory Sales Representatives in select U.S. markets.

Transitioning to this new sales coverage model required significant recruitment, onboarding, and training. We created a cohort-based bootcamp designed to accelerate the onboarding and development of new sales representatives. This was delivered through a 3-week workshop at our office in Fort Worth, Texas. Over the course of 2022, the bootcamp evolved from a one-time event for new Inside Territory Managers to an ongoing program open to all new U.S. sales representatives. Our bootcamp was conducted five times in Fort Worth for U.S. hires and one time in Burnaby for Canadian hires.

Performance Summary	2021	2022*
<b>Investment in Training and Development</b>	<b>\$2.35 m</b>	<b>\$1.48 m</b>
<b>Average Training Hours Per Employee</b>	<b>3.8 h</b>	<b>2.9 h</b>
<b>Internal Vacancy Fill Rate</b>	<b>14.4%</b>	<b>20.4%</b>
<b>Voluntary Turnover Rate</b>	<b>12.6%</b>	<b>13.9%</b>
<b>Involuntary Turnover Rate</b>	<b>4.6%</b>	<b>5.1%</b>

\* 2022 metrics for average training hours per employee, internal vacancy fill rate, voluntary turnover rate, and involuntary turnover rate include all FTE with the exception of SmartEquip and Xcira FTE who were onboarded to our systems in January 2023.



# Health & Safety

## Overview

At Ritchie Bros., we put the health and safety of our people first. For employees and contractors, that means robust standards, training, and measures. Continual improvements and emergency planning also adds to public safety.

Whether our employees are moving equipment in the yard or working in the office, safety is always our top priority. We care about the physical and mental health of our employees, and have invested in the resources they need to uphold it.

We've instilled a culture of health and safety at Ritchie Bros. through our guiding policies and principles, programs, effective risk management, and shared leadership accountability. Ultimately, Ritchie Bros. is committed to ensuring all employees go home the same way they came to work.

## Approach

### Occupational Health & Safety Policy

Ritchie Bros. maintains the highest level of health and safety standards in all aspects of our operations. Our [Occupational Health and Safety Policy](#) affirms our commitments to eliminating workplace hazards, providing employees with all required training and tools, and continually reviewing and improving our safety performance.

### Employee Training

We begin safety training on day one for our teams. During our month-long safety orientation program, each employee works with a mentor and completes a list of safety and job-related tasks to familiarize themselves with Ritchie Bros.' safety policies and procedures, as well as the equipment they will be exposed to. Employees also complete mandatory online safety training annually. Topics include workplace hazards, compressed gas safety, fire control, personal protective equipment (PPE), and slips, trips, and falls.

In addition to annual safety training, Ritchie Bros. conducts regular safety workshops to further engage our teams. Each quarter, we review and re-enact incidents from the previous quarter. In doing so, we identify and discuss preventative measures and continuously improve our safety practices.

Ritchie Bros. also partners with a vendor to conduct SafetyDNA training workshops that assess and help employees understand their risk tendencies. Managers are then trained on how to lead their team given their new understanding of these tendencies.

Ritchie Bros. also provides specialized training for highly technical job functions. For instance, we are rolling out rigging training at nearly all Canadian sites, and plan to do the same at our U.S. sites soon. Additionally, Ritchie Bros.' Loader Continuum Program gives our loader operators the skills and training they need to perform their job safely.

### Risk Management

We measure performance through our safety leading indicators:

- Daily safety meetings;
- First aid kit and spill kit inspections;
- Generator log inspections;
- Risk ID cards; and
- Safety training status.

These indicators enable us to continuously monitor safety and prevent incidents from occurring. We have processes to help us reach our goal of 100% compliance with the target performance for each leading indicator.

Our risk ID process involves conducting a weekly field hazard assessment at all our sites. That has helped us to lower incident rates and reinforce incident prevention practices. Each employee is required to identify at least one hazard per week and immediately resolve the risk.

At weekly safety meetings, teams review and discuss the identified risks from the previous week to keep our safety mindset and culture top of mind. Our Environmental, Health, and Safety (EHS) business partners then regularly review risk IDs reports from across the company. They look for common themes and identify mitigating actions. To further manage safety risks, we complete emergency drills and job safety analysis annually.

### Health & Safety Governance

Health and safety is a shared priority at all levels of the organization.

- Our President & COO is ultimately accountable for our health and safety efforts.
- Directors and Vice Presidents are directly responsible for health and safety in their respective regions.
- Each region has Joint Health & Safety Teams that ensure their sites are operating safely, and serve as a key point of contact for any employees to voice their safety concerns.
- EHS Business partners help our teams resolve and mitigate health and safety risks.



Performance Summary	2021*	2022
<b>Recordable Incidents</b>	<b>42</b>	<b>38</b>
<b>Total Recordable Incident Rate (TRIR)</b>	<b>1.35</b>	<b>1.14</b>

\* 2021 metrics are restated and differ from the 2021 ESG Report and 2021 Annual Report. Five recordable incidents initially reported were discounted after reporting, causing our total number of recordable incidents and TRIR to decrease.

## Performance

### Safety Training

In 2022, we realized 91% and 94% completion rates for field staff and manager courses, respectively, for our mandatory annual safety training curriculum. Completion rates decreased in 2022 from 2021 as we switched online safety training platforms midway through the year, resulting in training only being available from January to June.

### Recordable Incidents and Fatalities

In 2022, we had 38 recordable incidents, which was a 10% decrease from last year, and no fatalities. This brought our total recordable incident rate (TRIR) to 1.14. We also saw a 10% reduction in the number of loader incidents in 2022 compared to 2021. Much of the credit for this progress goes to mandating proper PPE for the conditions and activity, conducting daily safety meetings on preventative measures, reviewing incidents as a team to share lessons learned, and ensuring we meet the leading indicator target performance levels monthly.

### Health & Safety Compliance Platform

One of our largest investments in health and safety in 2022 was switching compliance platforms. Ritchie Bros.' new health and safety platform provides an improved user experience for our teams. Every Yard Manager has access to a global dashboard with more information at their fingertips, such as, days since the last incident, messages from the EHS teams, inspection results, audit results, and training completion rates. One of the most impactful features is the platform's ability to aggregate results from incidents' root cause analysis to gather insights for inclusion in future training. While managing the switch between platforms, our teams reduced the number of recordable incidents and TRIR, and continued completing important processes, like risk ID cards and safety kit inspections. Training has now been provided to all employees to ensure the new platform is effective and easy to use.

# Thriving Communities

We are all connected. We can't thrive unless the communities around us do as well. Supporting local communities is central to what we do at Ritchie Bros. Our global marketplace enables businesses to prosper by providing access to buyers and sellers all over the world. And our presence in local communities supports job creation and economic health. At Ritchie Bros., we see ourselves as extensions of these communities and continue to take steps to support them. We prioritize giving to causes aligned with the needs of the communities we're a part of, and with our core values.

In this section:

- Economic Opportunity
- Community Impact





# Economic Opportunity

## Overview

Our customers' success is at the core of what we do. We believe that Ritchie Bros.' marketplace creates a more connected world for companies of all sizes to compete more effectively and make their own positive impacts.

We're a trusted global marketplace for commercial assets. Ritchie Bros. enables access to buyers and sellers around the world, offering insights, services and transactions solutions. Our technology-supported marketplace unlocks scale and savings for our customers, allowing them to do business at an astounding speed with dramatically less investment.

We also create economic opportunity for our customers throughout financing business, Ritchie Bros. Financial Services, by providing local employment training and opportunities, and by supporting local vendors in our communities.

### Our Goal

We commit to empowering our customers locally through our global scale, enabling their businesses and communities to thrive.

## Approach

### Our Global Marketplace

Our global marketplace, insights, services, and multiple selling options let our customers maximize their economic opportunity. We offer them the ability to sell when, where, and how they want via Ritchie Bros. Auctioneers live auctions, IronPlanet weekly online auctions, and Marketplace-E, our 24/7 online marketplace. Our trusted advisors provide service and support to tailor the sales process to each unique situation and objectives.

### Ritchie Bros. Financial Services

Ritchie Bros. Financial Services aims to fund our customers' dreams through **PurchaseFlex™** and **LeaseFlex™** Financing and Leasing, and **PurchaseSafe™** Secure Transaction Management service.

**PurchaseFlex™** allows our customers to finance equipment that has aged beyond industry-defined useful life expectations, and offers some of the most favorable terms in the industry. Customers are better able to purchase the equipment suiting their business needs, and gives them the flexibility to buy from anywhere – Ritchie Bros. platforms, dealers, and private sellers. Additionally, **PurchaseFlex™** provides options for extended payment terms with lower payments, enabling them to invest cash elsewhere within their business.

**LeaseFlex™** provides flexibility for our customers to operate the equipment they need when they need it. Customers can choose a short-term lease if the asset is needed for a specific project, a long-term rental option, or anywhere in-between. We provide access to financing for all with **LeaseFlex™**. We negotiate favorable rates for our customers and assess the asset quality, not only the applicant's credit quality, in our leasing decisions. At the end of the term, **LeaseFlex™** allows customers to purchase the asset for the remaining amount, finance the remainder, or return the equipment to Ritchie Bros.

**PurchaseSafe™** offers Ritchie Bros. customers the flexibility of a safe, secure transaction service for private third-party sales, which may often go unfinanced by traditional lenders. The cost of this service can be included in their **PurchaseFlex™** Financing.

### Supporting Local Employment

Ritchie Bros. also prides itself in supporting economic opportunity for the communities it operates in. Many of our sites are located in rural areas where job opportunities may be limited. We're proud of the opportunity to create local jobs. Additionally, we support organizations that deliver technical and job skills training in these communities, to develop local talent and support their broader economic well-being.

### Investing in Local Vendors

We invest heavily in our facilities and auction sites and prioritize local vendors wherever possible. Sourcing many of our raw materials, goods, and services from local partners is engrained in the way we do business, to support the communities in which we operate.

## Performance

### Financing Deployment

In 2022, Ritchie Bros. Financial Services deployed over \$1 billion in financing through the form of 14,000 loans to our customers, the majority of which are small- and medium-sized businesses.

We're proud to have achieved a 33% increase in the financing we deployed compared to 2021. We attribute this growth to customer loyalty, our financing solutions' flexibility, record high approval rates, and an increase in transactions funded.



## Supporting the Workforce of the Future

We're helping to build local employment opportunities for the workforce of the future. In 2022, Ritchie Bros. participated in the Bright Star Schools' Stryver Pilot Program to provide an internship position to a recent college graduate. The purpose of the program is to prepare young professionals, who may have been underestimated in the past, for entry-level, high-growth potential roles through skills training and exposure to different career pathways. Our intern joined our operations team and quickly added value. The pilot was such a success that Ritchie Bros. will participate again in 2023.

Performance Summary	2021	2022
Financing Deployed	\$ 750 M	\$1 B

# Community Impact

## Overview

Ritchie Bros. has been rooted in community for over 60 years. We believe that doing well means helping the communities we operate in to thrive by addressing some of the social challenges they face. That's one way to amplify our impact. We give back through philanthropy and volunteerism, and focus our efforts on where we feel we can make the greatest difference. We are stronger together, and encourage our employees to get involved by matching donations and providing volunteer opportunities.

## Approach

The needs of our communities are changing. Over past years, we worked with our cross-functional partners to create a community giving framework to help structure and increase our impact. To determine our approach to community giving, we also conducted employee surveys and focus groups. Our people identified which topics, aligned to our Ritchie Bros.' values, they care about most. This process helped us to define our four focus areas for supporting our communities:

- Advancing diversity, equity, and inclusion;
- Supporting local economies through supporting local businesses;
- Providing employment training; and
- Addressing homelessness and hunger.

The #RitchieGives Community Impact Platform launched mid-October 2022 to organize, track, and measure our community giving efforts. The platform offers volunteer and donation matching opportunities to all full-time employees in Canada and the United States. Users can donate to organizations of their choice and request to add organizations if not already an option in the system. We match employees' donations to organizations in alignment with Ritchie Bros.' giving areas of focus and incentivize employees to donate by giving a first-time \$5 credit. In 2023, we'll be launching a new program in the platform rewarding users for volunteering with donation credits towards causes of their choice aligned with Ritchie Bros.' giving areas of focus.



## Performance

### Community Giving

In 2022, we contributed over \$650,000 in charitable contributions and sponsorships. This represents a 63% increase in our charitable giving compared to 2021. With our #RitchieGives Community Impact Platform, we hope to continue to accelerate our impact.

### Advancing Diversity, Equity, & Inclusion

Diversity, equity, and inclusion is a priority for us. We look to advance it not only in our organization but in our communities too. In 2022, our Employee Resource Groups (ERGs) donated \$27,000 in support across various organizations.

Our Black Lives Matter (BLM) Committee continued its support of ELEVATE Coweta Students, a non-profit focused on helping Coweta County students to remain in school and graduate. The BLM Committee also continued its support of the Clear the List movement by donating supplies to a school in the Atlanta area with a large proportion of students from low-income families.

The Pride (LGBTQ+) ERG donated to GATE, an international advocacy organization working towards justice and equality for transgender, gender diverse, and intersex communities, in honor of International Transgender Day of Visibility. The Pride ERG also supported the Human Rights Watch LGBT Program. This initiative raises awareness and records abuses based on sexual orientation and gender identity while also advocating to change laws and policies in protection of all people's dignity globally.

In honor of Human Rights Day, two ERGs made donations to organizations, spotlighted in our #RitchieGives newsletter, that align with their communities of focus across the U.S. and Canada. The Women's LINK supported causes related to women's rights, safety, and equality. The SERVE ERG made

donations to causes supporting the military community.

These initiatives exemplify how engaging our employees and ERGs can drive more inclusion for all. For more information on our ERGs, please see the Diversity, Equity & Inclusion section.

### Support for Employment Training

The Bridges to Career Opportunities Program (Bridges) connects unemployed and underemployed people to industry-specific skills training and career pathways, with the majority of participants representing marginalized groups. In 2022, Ritchie Bros. donated \$25,000 to Bridges through the Local Initiatives Support Corporation (LISC).

LISC shared how Ritchie Bros.' contribution will be used moving forward, *"The Ritchie Bros.' donation will support LISC's work to expand and sustain a construction-focused Bridges to Career Opportunities program at our Bridges site at AADAP (Asian American Drug Abuse Prevention) in Los Angeles, CA. For over 50 years, AADAP has been providing employment and training programs and services to the Los Angeles community. LISC's work will focus on providing technical assistance to AADAP to integrate entry-level training for the construction industry with financial coaching and career coaching to help community members not only connect to employment, but also be successful in the workplace and grow in their careers over the long term. LISC's Bridges to Career Opportunities initiative has an intentional focus on job-seekers who have often lacked access to or been historically excluded from in-demand industries like the building trades; Bridges' sites work intensively and long-term with trainees to help them achieve economic stability."*

### Addressing Homelessness and Hunger

We continue to contribute to the Ritchie Bros. Community Impact Fund through the Vancity Community Foundation established in 2021. In 2022, we deposited an additional \$22,100 to bring the total amount contributed since the fund's

2021 launch to \$69,200. In 2022, this Community Impact Fund distributed \$16,200 to food banks across Canada as a result of our annual turkey bonus donation initiative. First implemented in 2021, employees can choose to donate their turkey bonus and Ritchie Bros. matches to double the impact. In 2022, we saw a combined impact of more than \$50,000 in donations that were provided to 50 non-profits across Canada, the United States, and globally.

To support addressing homelessness and hunger, Ritchie Bros. donated to the Coldest Night of the Year (CNOY) event in Burnaby, Canada. This fundraising walk supports local charity partners who provide essential care and services for people experiencing homelessness, hurt, and hunger.

To close off 2022, our ERGs collaborated on a Holiday Food Drive. Overall, 13 Ritchie Bros. sites participated and raised more than 3,000 lbs of food. Carole and Lauren who are Customer Service managers at our Edmonton site shared, *“It was such an honor to be part of and to help coordinate the Holiday Food Drive. Colleagues at the Edmonton site jumped into the initiative with enthusiasm and their passion for making a positive difference in their community really shone through. We look forward to continuing the food drive on an annual basis to deepen our impact in the Edmonton community.”*

### STARS Air Ambulance

STARS Air Ambulance (STARS) cares for and transports critically ill and injured patients in Western Canada, and has flown over 45,000 missions since 1985. Ritchie Bros. has been supporting STARS since 2009 and their work is especially important to us as they helped save the life of one of our own years ago.

To increase STARS’ fundraising, Ritchie Bros. supported their STARS and Spurs Gala charity auction event. Our own Andrew, Bid Catcher (left), and Bobby, Auctioneer (right), were able to drive the bidding up to \$669,900, surpassing STARS’ goal by over 25%! We’re grateful to Andrew, Bobby, and anyone who made a donation to STARS and an impact in our community.

### Disaster Relief

We see Ritchie Bros. as an extension of the communities we operate in. When natural disasters strike the communities in which we operate, Ritchie Bros. responds with timely financial support. In 2022, we provided and raised \$18,900 of support across various initiatives:

- We donated to the International Committee of the Red Cross (ICRC) to support the people of Ukraine with food, water, essential items, and medical care.
- Our Ocaña, Spain site held a charity auction for the United Nations High Commissioner for Refugees (UNHCR) agency to support Ukrainian refugees.
- Our Ritchie Bros. Inspection Operations Team in Canada quickly responded to send supplies, tools, generators, and other essentials to our teams across Atlantic Canada affected by Hurricane Fiona.
- Our Orlando site held a food and fund drive in support of the Second Harvest Food Bank of Central Florida in response to Hurricane Ian.
- Our Lincoln Social Committee participated in People’s City Mission’s Christmas in July Water Drive which supplies drinking water to those in need to help cope with the extreme heat.



Performance Summary	2021	2022
Donations and Sponsorships	\$ 400,000	\$650,000

# Appendices



# Metrics Table

## Overview

This is a summary of our key performance metrics for the 2022 year. We aim to align select metrics to the guidance of the Sustainability Accounting Standards Board (SASB) and the Global Reporting Initiative (GRI) where possible.

Topic	Description	2022 Metric	SASB/GRI Reference	Page
Data Security & Privacy	Description of approach to identifying and addressing data security risks		SASB CG-EC-230a.1 SASB CG-MR-230a.1	10
Governance	Code of Business Conduct Training Completion (FTE)	96%		11
Climate Change	Scope 1 GHG Emissions	31,755 tCO <sub>2</sub> e	CG-EC-130a.1 CG-MR-130a.1 RT-IG-130a.1	15
	Scope 2 GHG Emissions	15,218 tCO <sub>2</sub> e		
	Total Scope 1 and 2 GHG Emissions	46,973 tCO <sub>2</sub> e		
	Scope 3 GHG Emissions	61,458,175 tCO <sub>2</sub> e		
	Total energy Consumed	716,101 GJ		
	Diesel Energy (% of Total)	210,164 GJ (29%)		
	Natural Gas Energy (% of Total)	277,171 GJ (39%)		
	Gasoline Energy (% of Total)	80,789 GJ (11%)		
	Electricity Energy (% of Total)	147,978 GJ (21%)		
% Renewable Energy	0%			
Environmental Management	Significant Spills (Global Operations)	0	GRI 306-3	17
Diversity, Equity & Inclusion	Female Representation (Board)	44%	SASB CG-EC-330a.3 SASB CG-MR-330a.1	19
	Female Representation (Executive Management)	33%		
	Female Representation (VP or Above)	23%		
	Female Representation (Director or Above)	17%		
	Female Representation (Technical Staff)	25%		
	Female Representation (All Employees)	36%		
	DE&I Training Completion (Vice President or Above)	62%		
	DE&I Training Completion (People Leaders)	41%		
DE&I Training Completion (Employees)	11%			
Talent & Development	Investment in Training and Development	\$1,480,000	SASB CG-EC-330a.2	21
	Average Training Hours Per Employee	2.9 hours		
	Internal Vacancy Fill Rate	20.4%		
	Voluntary Turnover Rate	13.9%		
	Involuntary Turnover Rate	5.1%		
Health & Safety	Total Recordable Incident Rate (TRIR)	1.14	RT-IG-320a.1	23
	Recordable Incidents	38		
Economic Opportunity	Loans Deployed	\$1,000,000,000		25
Community Impact	Donations and Sponsorships	\$650,000		26

# Additional Resources

## Reports

- [2021 ESG Report](#)
- [2022 Proxy Statement](#)
- [2022 Annual Report / Form 10-K](#)
- [IAA's 2022 ESG Report](#)

## Policies and Statements

- [Diversity Policy](#)
- [Code of Business Conduct and Ethics](#)
- [Environmental Policy](#)
- [Occupational Health and Safety Policy](#)
- [Corporate Governance Guidelines](#)
- [Board of Directors Mandate](#)

## Other Resources

- [Corporate Governance site](#)
- [Investor Relations site](#)

### Forward-Looking Statements

This report contains forward-looking statements and forward-looking information within the meaning of applicable US and Canadian securities legislation (collectively, "forward-looking statements"), including, in particular, statements regarding future financial and operational results and any other statements regarding events or developments that Ritchie Bros. believes or anticipates will or may occur in the future. Forward-looking statements are statements that are not historical facts and are generally, although not always, identified by words such as "expect", "plan", "anticipate", "project", "target", "potential", "schedule", "forecast", "budget", "estimate", "intend" or "believe" and similar expressions or their negative connotations, or statements that events or conditions "will", "would", "may", "could", "should" or "might" occur. All such forward-looking statements are based on the opinions and estimates of management as of the date such statements are made. Forward-looking statements necessarily involve assumptions, risks and uncertainties, certain of which are beyond Ritchie Bros.' control, including risks and uncertainties related to: the operations of our customers, general economic conditions and conditions affecting the industries in which Ritchie Bros. operates; the maintenance of important business relationships; our ability to commercialize new platform solutions and offerings; deterioration of or instability in the economy, the markets we serve or the financial markets generally; as well as the risks and uncertainties set forth in Ritchie Bros.' Annual Report on Form 10-K for the year ended December 31, 2022, and subsequent interim reports on Form 10-Q which are available on the SEC, SEDAR, and Ritchie Bros.' website. The foregoing list is not exhaustive of the factors that may affect Ritchie Bros.' forward-looking statements. There can be no assurance that forward-looking statements will prove to be accurate, and actual results may differ materially from those expressed in, or implied by, these forward-looking statements. Forward-looking statements are made as of the date of this report and Ritchie Bros. does not undertake any obligation to update the information contained herein unless required by applicable securities legislation. For the reasons set forth above, you should not place undue reliance on forward-looking statements. This report contains estimates and other statistical data made by independent parties and by Ritchie Bros. relating to Ritchie Bros.' ESG performance. Estimates and data contained in this report are unaudited, not prepared in accordance with GAAP, and involve assumptions and limitations, which may impact their accuracy, and you are cautioned not to give undue weight to such estimates and data.

