



**PATERSON
GROUP**



SUSTAINABILITY REPORT 2024



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PRESIDENT AND BOARD MESSAGE

On behalf of the board of directors, I am thrilled to present Paterson Group's inaugural Sustainability Report for the 2024 calendar year documenting our Environmental, Social, and Governance (ESG) impacts. ESG and sustainability have been integral to many of the practical solutions we have developed for our clients over the years. This year, in response to the requests from many of our existing clients we officially launched delivery of Energy and Sustainability services.

In 2024, Paterson formed a sustainability committee to oversee and promote ESG initiatives throughout our operations. We have drafted our company's Sustainability Policy and have begun the process of tracking and reporting Sustainability performance through this annual report. This report shares environmental performance data related to our own operations, highlights our social impact through Paterson's charitable activities, and describes the steps we are taking to demonstrate effective governance.

As we continue to grow our business, we are committed to not only making our own operations more sustainable but also helping our clients develop and achieve their sustainability goals. Thank you for taking the time to read this report, marking the formal start of our sustainability journey. Together, we can make a positive impact.

Kind Regards,

Dave Gilbert



ABOUT PATERSON GROUP

Paterson is a solution-oriented consulting engineering firm, established in Ottawa in 1956. With a strong focus on customer service, Paterson provides its expertise in geotechnical and environmental engineering, hydrogeological studies, materials testing, vibration monitoring, energy & sustainability, structural engineering and building sciences.

OUR VALUES



DILIGENCE AND FLEXIBILITY

We remain available at any moment to help resolve the needs of any client or colleague.



COMPASSION AND INCLUSIVITY

We endeavour to give back to the communities we serve and reflect their diversity in our work.



TRANSPARENCY

Through clear communication and collaboration, we strive to instill a sense of trust and respect with our clients, community, and colleagues.



INNOVATION AND EXCELLENCE

Using refined engineering methods to provide tailored solutions, we work to propel our industry into the future.

At Paterson, we believe in a better future. We provide professional services based on technological expertise, interactive project management, a wealth of local knowledge, and creative solutions. Our work supports the construction, maintenance and retrofit of Canada's infrastructure and buildings. It is the responsibility of all Paterson employees to incorporate sustainability into their work and contribute to a positive impact for our clients, society, and the planet.

ABOUT THIS REPORT

This report presents Paterson's Environmental, Social, and Governance (ESG) performance and demonstrates our commitment to sustainable development and responsible business practices. It outlines our performance, initiatives, and progress across key ESG areas relevant to our operations in the built environment and engineering sectors. We are investing in the resources to continuously improve year after year from an ESG perspective so that we and our clients can contribute to making a positive impact.

Reporting Period

This report covers our ESG activities and performance for the calendar year ending December 31st, 2024. Some forward-looking statements and initiatives beyond this period may also be included to reflect our strategic outlook and long-term goals.

Scope of the Report

The report encompasses the operations of Paterson across all business units and geographic locations:

- Ottawa Office - 9 Auriga Drive
- Ottawa Materials Lab - 28 Concourse Gate
- GTA Office and Lab - 1535 Meyerside Drive
- North Bay Office - 63 Gibson Street

Paterson has a long-standing reputation as an environmental leader. However, the following report represents a significant milestone for great things to come in terms of sustainability service offerings and ESG performance, tracking and reporting.

Best Practice

We acknowledge that industry best practice endorses the use of materiality assessments, adherence to specific reporting standards, and 3rd party data validation. Although not incorporated into this report, we intend to investigate the applicability of these measures in the future.

Accessibility and Contact

This ESG report is available in digital format on our website at patersongroup.ca.

For questions, feedback, or further information about this report or our ESG program, please contact us at ESG@patersongroup.ca.

ENVIRONMENTAL



ENVIRONMENTAL

ENERGY - BUILDINGS

Energy efficiency represents the starting point for many company’s sustainability journeys. Identifying and eliminated wasteful consumption, not only reduces operating costs, but also provides environmental benefits. For Paterson, tracking how much energy we use is the first step in benchmarking our performance, and will help us to identify opportunities to make improvements.

The following table shows the natural gas and electricity consumption in all of Paterson’s facilities as reported on utility bills. The Energy Use Intensity (EUI) values are calculated by dividing the total energy consumed by the total gross floor area of these buildings.

Table 1. Building Energy (2024)

SOURCE	ANNUAL ENERGY USE	ENERGY USE INTENSITY
ELECTRICITY	1,147,942.40 kWh	304.33 kWh/m ²
NATURAL GAS	22,391 m ³	24.88 m ³ /m ²

The Natural Gas EUI value excludes 9 Auriga Drive (Paterson Ottawa office) as this building does not use natural gas.

*m³ - Cubic meters of natural gas
 m² - Square meters of gross floor area
 kWh - Kilowatts per hour*

Looking forward, we intend to benchmark the performance of each of our facilities by comparing to past performance, other facilities, and industry averages. By conducting this analysis, we gain a better understanding of how we currently use energy and what opportunities exist to reduce consumption.

ENVIRONMENTAL

CARBON EMISSIONS - BUILDINGS

The energy consumed by the buildings we work in is responsible for a significant portion of our total carbon emissions. We use natural gas and electricity as energy sources for both space heating and domestic hot water production. Burning natural gas produces carbon dioxide. The use of natural gas power plants as part of Ontario's power generation mix contributes to grid-based carbon emissions. The following table quantifies Paterson's total equivalent carbon emissions associated with both natural gas and electricity consumption.

Table 2. Building Emissions Summary (2024)

SOURCE	ANNUAL ENERGY USE	EMISSION FACTOR ^{[1],[2]}	GHG EMISSIONS
ELECTRICITY	1,147,942.40 kWh	71 gCO ₂ e/kWh	81.50 tCO ₂ e
NATURAL GAS	22,391 m ³	1921 gCO ₂ e/m ³	43.01 tCO ₂ e

m³ - Cubic meters of natural gas | kWh - Kilowatts per hour | tCO₂e - Tonnes of carbon dioxide equivalent | gCO₂e - Grams of carbon dioxide equivalent

Electricity-related emissions represented 65% of building emissions, while natural gas accounted for 33%. This breakdown highlights the continued importance of both operational efficiency and a clean electricity supply in lowering total carbon intensity.

Assumptions

All calculations are based on the gross floor area (GFA) of the building. Gross floor area includes all enclosed floor space measured to the exterior walls, including common areas, mechanical rooms, and service spaces. This assumption may affect energy and emissions intensity values compared to using net floor area.

Sources

[1] - The Atmospheric Fund, Ontario Electricity Emissions Factors and Guidelines 2024, (2024), Table: Forecasted AEFs - <https://taf.ca/custom/uploads/2024/06/TAF-Ontario-Emissions-Factors-2024.pdf>.

[2] Government of Canada, Emission Factors and Reference Values, Version 2.0 (May 2024), Table 1.2: CO₂ Emission Factors for Natural Gas (gCO₂/m³) for 2024. <https://www.canada.ca/en/environment-climate-change/services/climate-change/pricing-pollution-how-it-will-work/output-based-pricing-system/federal-greenhouse-gas-offset-system/emission-factors-reference-values.html>.

ENVIRONMENTAL

CARBON EMISSIONS – TRANSPORTATION

At Paterson, the nature of our work, means our staff spend a lot of time on project sites. From brand new construction projects to restoring century old heritage buildings, we go where the work takes us. As a result, we generate a lot of emissions related to transportation. Combined, our staff traveled at total of 1.06 million kilometers in 2024. That’s the equivalent of driving around the world 26.5 times.

Table 3. Transportation Emissions Summary (2024)

CATEGORY	DISTANCE TRAVELLED	EMISSIONS
EMPLOYEE PERSONAL VEHICLES	1,063,434 km	244.59 tCO ₂ e
COMPANY FLEET VEHICLES	NR	NR
TOTAL	1,063,434 km	244.59 tCO ₂ e

NR – Not reported | km - Kilometers | tCO₂e -Tonnes of carbon dioxide equivalent



Assumption: The average fuel efficiency of the Paterson employee vehicles = 10L/100Km and based on the NRCAN’s 2024 Fuel consumption guide [3], 1L of gasoline = 2.3 Kg of CO₂, the standard carbon emission factor is estimated to be 0.23 kg CO₂e/km.

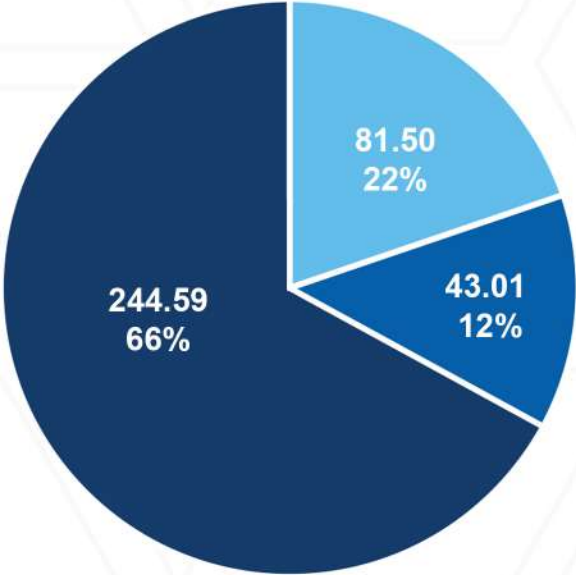
Source: [3] – Natural Resources Canada, 2024 Fuel Consumption Guide, (2024), <https://natural-resources.canada.ca/sites/nrcan/files/files/pdf/2024%20Fuel%20Consumption%20Guide.pdf>

ENVIRONMENTAL TOTAL EMISSIONS

The total carbon emissions by Paterson operations have been calculated to be 369.11 tCO₂e for the 2024 year. Our transportation-based emissions are double those generated by our buildings. This represents a huge opportunity for us to make improvements. While we may not be able to reduce the distances we travel to work sites, we plan to explore emission reductions by encouraging staff to use more environmentally friendly vehicles or ride sharing.

CARBON EMISSIONS BREAKDOWN (tCO₂e) 2024

- ELECTRICITY
- NATURAL GAS
- TRANSPORTATION



tCO₂e -Tonnes of carbon dioxide equivalent



ENVIRONMENTAL

WATER

Water is a critical resource, and we are committed to responsible usage across all operations. Like many other companies, we use a modest amount of water in our office kitchens and washrooms. We also use water in our materials testing labs. The following table shows the total water used across all our facilities and the water intensity calculated by dividing the total by their gross floor area.

Table 4. Water Use Summary (2024)

SOURCE	ANNUAL WATER CONSUMPTION	WATER USE INTENSITY
WATER USAGE	4,550 m ³	1.45 m ³ / m ²

This data set excludes 1535 Meyerside Drive (Paterson Toronto office) as the tenanted space is not sub metered.

m³ - Cubic meters of water | m² - Square meters of gross floor area

We plan to assess opportunities for low-flow fixtures, leak detection systems, and education programs to reduce overall consumption.



SOCIAL



SOCIAL CORPORATE GIVING

At Paterson, we are not just committed to supporting our employees but also to giving back to the communities in which we operate. We strive to show our support through both participation and donation to numerous charitable organizations and events.

The following are a few of the many initiatives that Paterson has supported in 2024:

OTTAWA HOSPITAL FOUNDATION

In 2024, Paterson was proud to have committed \$1 million towards The Ottawa Hospital Foundation's Campaign to Create Tomorrow. This initiative will transform healthcare in the Ottawa region and help take research to unprecedented heights.



HABITAT FOR HUMANITY

Habitat for Humanity - Greater Ottawa Branch, builds safe, and affordable homes, for over 92 local families over the last 30 years. Paterson has been a continued supporter for many years.

BOYS AND GIRLS CLUB

BGC Ottawa provides the opportunity for kids and teens in our community to learn invaluable skills by offering special programs and local services. Paterson has sponsored many of their events, notably their Morning Socials and annual Gala.



SOCIAL

HEALTH & SAFETY

In the engineering, construction, and building science sectors, health and safety (H&S) is a foundational element of the social section of ESG performance. Given the high-risk nature of construction sites and complex project environments, safeguarding the well-being of workers, contractors, and the surrounding community is both a moral obligation and a business imperative.

Effective H&S management in these sectors requires comprehensive risk assessments, rigorous training programs, strict adherence to safety protocols, and real-time monitoring systems. From structural engineering to site operations, hazard mitigation must be embedded at every stage - from design and planning through execution and occupancy.

Embedding a culture of safety is paramount at Paterson. It not only reduces accidents and operational disruptions but also enhances workforce morale and project delivery outcomes. In an ESG context, strong safety practices demonstrate responsible governance, proactive risk management, and a commitment to long-term sustainability in the built environment.

At Paterson, tracking the number of injuries and their impact on the business through lost time is critical for measuring safety performance and driving continuous improvement. Transparent reporting of these metrics supports regulatory compliance and builds trust with clients, stakeholders, and the public. Following is the Workplace Safety and Insurance Board (WSIB) summary performance of Paterson in 2024.

Table 5. Workplace Injuries (2024)

YEAR	# FATALITIES	# LTI	LTI RATE	INJURY YEAR LTD DAYS LOST	FTE WORKERS
2024	0	2	0.76	60.32	263.62

H&S is a top priority for Paterson, from our ESG team alongside all divisions of the company to our client's industries. We continue to stay up to date on the latest regulatory developments within our industry, provide best-in-class H&S training and monitoring to track our performance and continuously improve so that everyone gets home safe.

Lost time injury (LTI) rate: Number of allowed lost time injuries/illnesses per 100 derived full-time equivalent(FTE) workers for the injury year specified, where 100 FTE = 200,000 derived hours. $[(\text{Lost time injuries/illnesses})/\text{Derived hours}] * 200,000$.
 Please note: All fatality claims (traumatic & occupational disease) are included in the calculation of injury rates. Provincial statistics for traumatic fatalities are available through WSIB's health and safety statistics.

FTE workers: Derived Full Time Equivalent (FTE) workers is an estimate based on employer reported insurable earnings divided by the average hourly wage for the rate group/class/sub class divided by 2,000 hours. It is assumed a person works 2,000 hours per year. WSIB derived FTE workers is only applicable to Schedule 1 employers.

Injury year life to date (LTD) days lost: Life-to-Date number of equivalent full working days lost where temporary benefits have been awarded and paid out for claims with injuries that occurred in that injury/illness year.

GOVERNANCE



GOVERNANCE

Good governance lies at the core of every effective sustainability program. We are working to build a strong foundation on which to grow both our sustainability business and impacts. In 2024, Paterson established a sustainability committee to provide oversight of ESG initiatives and advance the formal integration of sustainability into Paterson's business practices. This group has developed the company's Sustainability Policy and made a commitment to annual reporting of our ESG performance. These two elements will be cornerstones of all future sustainability initiatives moving forward.

We are committed to both reducing the negative impacts of our operations, and to helping our clients achieve their sustainability goals.

Our Commitments ^[4]

1. We incorporate sustainability into our business strategy and decision-making processes and to the recommendations we make to our clients.
2. Our sustainability committee reviews our sustainability targets, policies, and procedures on an annual basis.
3. We report on our company's performance related to Environmental, Social, and Governance impacts annually in our sustainability report.



SUSTAINABILITY COMMITTEE



[4] - Excerpt from Paterson's Sustainability Policy, full version available here: <https://patersongroup.ca/wp-content/uploads/2024/12/Paterson-Group-Sustainability-Policy.pdf>

LOOKING FORWARD

We intend to expand the scope of our future sustainability reports. Although this report has focused solely on our own activities, we would like to start sharing highlights of the impacts and influence we have had on our client's projects as well. There were some gaps in the information we would have liked to share related to our own operations. In future reports, we plan to track and report on the emissions produced by our company-owned vehicles. We also intend to start tracking data on waste produced and diverted by our business. The data we have been gathering and analysing for this report will also help us to identify potential opportunities for improvement and begin the process of establishing formal sustainability targets and goals. We also plan to continue drafting new policies and procedures related to sustainable business operations that we hope will deliver measurable results.

Sustainability is not a final destination. It is very much a journey towards a better future. We are thrilled that our journey has begun.





PATERSON GROUP

OTTAWA • GTA • NORTH BAY