



SUSTAINABILITY REPORT 2025



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PRESIDENT AND BOARD MESSAGE

On behalf of the board of directors, I would like to thank you for taking the time to read our second annual sustainability report covering our 2025 operations. I am very proud of Paterson Group's continued commitment to measuring and reporting the ESG impacts of our business spanning Environmental, Social, and Governance.

This year's report includes new information that was not part of our inaugural report. We have expanded our scope to include data on waste generated by our business and emissions from our company owned vehicles. We have also included 2024 data in this report so that we can start to track how our performance changes over time, which can help us to identify opportunities for improvement.

Incorporating sustainability into our business operations is critical for our long term success. I am very proud of the progress we have made so far and am excited for what we can collectively accomplish going forward.

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, 2025. 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
- * Sudbury Office and Lab - 1648 Pioneer Road

** As the Sudbury office was acquired midway through the 2025 year, we will not be reporting on utility consumption in this report. In December of 2025, our Materials Lab in Ottawa 28 Concourse Gate, expanded its facility. Due to this expansion taking place late into the 2025 year, it will not be included in this report.*

For More Information

To find digital copies of this or previous reports visit 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

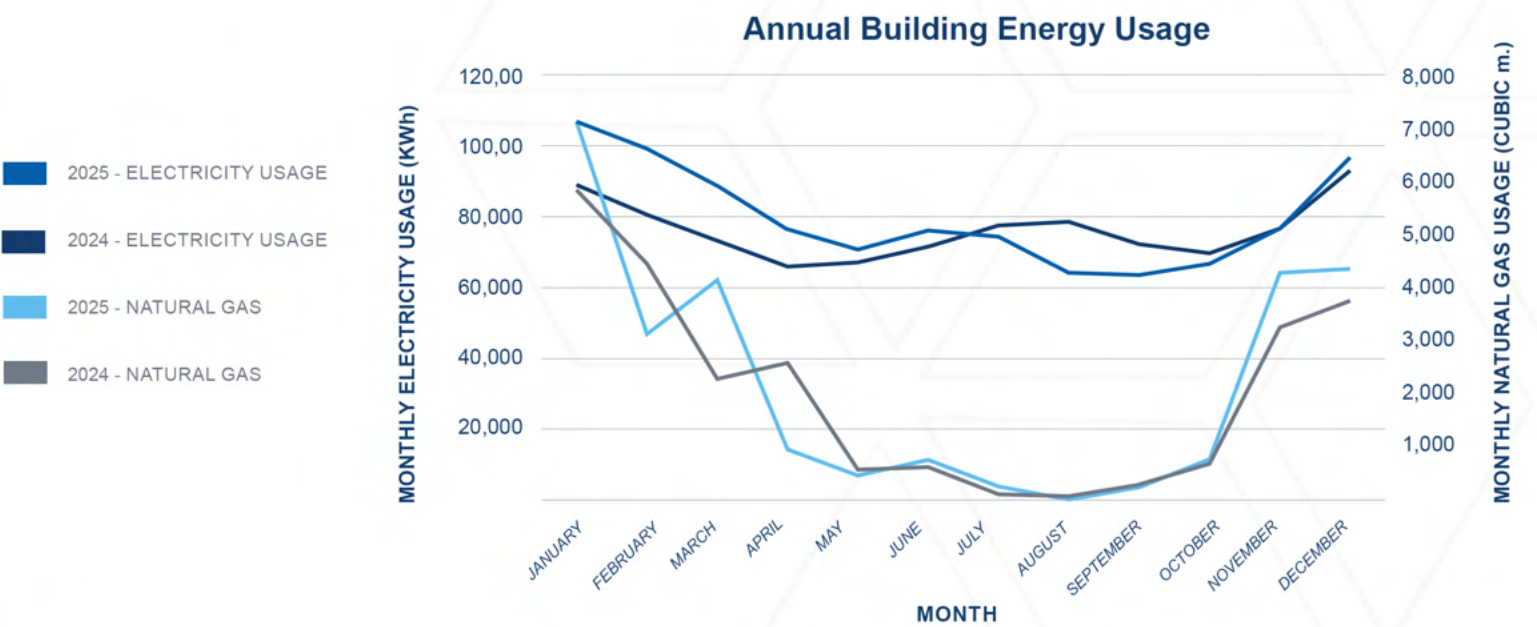
Energy efficiency represents the starting point for many company’s sustainability journeys. Identifying and eliminated wasteful consumption, not only reduces operating costs, but also provides environmental benefits. For Paterson, tracking how much energy we use is the first step in benchmarking our 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. The year over changes in electricity and gas consumption can largely be attributed to weather as 2025 was approximately 18% cooler than 2024.

Table 1. Building Energy (2025)

SOURCE	ANNUAL ENERGY USE	ENERGY USE INTENSITY
ELECTRICITY	2025 - 960,307 kWh 2024 - 1,147,942 kWh	2025 - 254.6 kWh/m ² 2024 - 242.6 kWh/m ²
NATURAL GAS	2025 - 26,441 m ³ 2024 - 22,391 m ³	2025 - 29.4 m ³ /m ² 2024 - 24.9 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



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 (2025)

SOURCE	ANNUAL ENERGY USE	EMISSION FACTOR ^{[1],[2]}	GHG EMISSIONS
ELECTRICITY	2025 - 960,307 kWh 2024 - 1,147,942 kWh	2025 - 75 gCO ₂ e/kWh 2024 - 71 gCO ₂ e/kWh	2025 - 68.2 tCO ₂ e 2024 - 81.5 tCO ₂ e
NATURAL GAS	2025 - 26,441 m ³ 2024 - 22,391 m ³	2025 - 1,921 gCO ₂ e/m ³ 2024 - 1,921 gCO ₂ e/m ³	2025 - 50.8 tCO ₂ e 2024 - 43.0 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 59% of building emissions, while natural gas accounted for 41%. 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 2025, (2025), Table: Forecasted AEFs - <https://taf.ca/custom/uploads/2025/10/2025-TAF-EmissionsFactors.pdf>

[2] Government of Canada, Emission Factors and Reference Values, Version 2.0 (October 2025), Table 1.2: CO₂ Emission Factors for Natural Gas (g CO₂/m³) for 2025, <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 1.37 million kilometers in 2025. That's the equivalent of driving around the world 34.1 times.

Table 3. Transportation Emissions Summary (2025)

CATEGORY	DISTANCE TRAVELLED	EMISSIONS
EMPLOYEE PERSONAL VEHICLES	2025 - 1,178,660 km 2024 - 1,063,434 km	2025 - 264 tCO ₂ e 2024 - 245 tCO ₂ e
COMPANY FLEET	2025 - 186,539 km 2024 - NR	2025 - 54 tCO ₂ e 2024 - NR
TOTAL	2025 - 1,365,199 km 2024 - 1,063,434 km	2025 - 318 tCO ₂ e 2024 - 245 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>

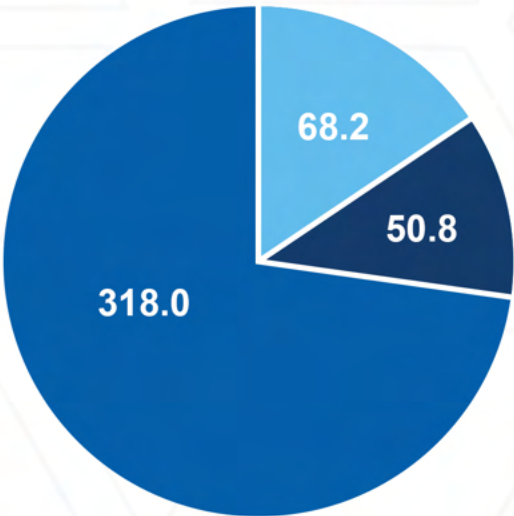
ENVIRONMENTAL

TOTAL EMISSIONS

The total carbon emissions by Paterson operations have been calculated to be 437.0 tCO₂e for the 2025 year. Our transportation-based emissions are more than 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) 2025

- 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 (2025)

SOURCE	ANNUAL WATER CONSUMPTION	WATER USE INTENSITY
WATER USAGE	2025 - 1,789 m ³ 2024 - 1,275 m ³	2025 - 0.51 m ³ / m ² 2024 - 0.42 m ³ / m ²

This data set excludes 1535 Meyerside Drive (Paterson Toronto office) as the tenanted space is not sub metered. It also excludes 28 Concourse Gate.

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.



ENVIRONMENTAL WASTE

Paterson group’s Geotechnical division analyzes soil samples to determine composition and structural properties, which helps design teams to optimize structural designs for their projects. Our Environmental division collects and tests water, and soil samples for contamination. Our material testing labs provide vital information to constructors for both building and infrastructure projects. Thousands of concrete and asphalt samples undergo destructive testing each year to ensure proper strength and durability are being delivered. All this testing results in the production of waste material, which is collected, sorted, and disposed of in a responsible manner. We have also taken steps to reduce our office waste. In 2025 we stopped using single use coffee cups in our head office. We continue to explore options that will reduce our company’s production of landfill waste.

The following graphs show the quantity of waste produced by our testing labs over the course of the previous year.

Table 4. Waste for Materials Labs (2025)

MATERIAL TYPE	AMOUNT
AGGREGATE	33,555 kg
CONCRETE	93,900 kg
ASPHALT	55,000 kg
CHEMICAL LIQUID WASTE	328 L



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 2025:

OTTAWA HOSPITAL FOUNDATION

Paterson has continued to fulfill its commitment of donating \$ 1 million dollars towards 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

At Paterson Group, our people are our most valuable resource. That’s why their health and safety are so important to us. Although it is not possible to remove all of the potential risks associated with our work, the training and precautions we take help to reduce both the total number and severity of incidents that do occur. The following table summarizes the WSIB reported workplace injuries for the past two years.

Table 5. Workplace Injuries (2025)

# FATALITIES	# LTI	LTI RATE	INJURY YEAR LTD DAYS LOST	FTE WORKERS
2025 - 0 2024 - 0	2025 - 1 2024 - 2	2025 - 0.37 2024 - 0.76	2025 - 83.76 2024 - 60.32	2025 - 266.97 2024 - 263.62



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. [(Lost time injuries/illnesses)/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. In 2025 we renewed our commitment to our Sustainability Policy, and ongoing sustainability reporting."

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.



[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

Having completed our second year of sustainability reporting, we now have a clearer picture of our operations and what opportunities exist to improve performance. Over the coming year we intend to investigate measures to reduce the negative impacts our business has on the environment, and hopefully also reduce our operating costs. It would be fantastic if we can identify opportunities that contribute to the “triple bottom line” of simultaneously delivering environmental, social, and financial benefit. We intend to share some of the details of these initiatives in our next sustainability report, in hopes that this may help to inspire others.

Thanks again for taking the time to read this report. Together we can make a difference.





**PATERSON
GROUP**

OTTAWA ▪ GTA ▪ NORTHERN ONTARIO