



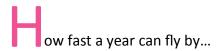


Welcome to our third annual and first full calendar year sustainability report. This edition of *Making Ripples* represents a summary of the impacts, efforts, and achievements of Watters Environmental Group Inc. from January 1, 2016 to December 31, 2016.

Any questions regarding the contents of this report can be directed to: <a href="mailto:info@wattersenvironmental.com">info@wattersenvironmental.com</a>







Yet here we are; Watters Environmental is still following our mission of revolutionizing the environmental industry and busy co-creating innovative solutions with our clients to help them solve their complex environmental issues. In the midst of all this, our employees have the passion and commitment to provide our company with knowledge, sustainable initiatives and the opportunity to participate in community events that give back to the environment, the people and the community itself.

Our company culture, as highlighted throughout the last sustainability report, is what allows us to be creative, flexible and innovative in all aspects of the company. From working with our clients externally, to creating new sustainable initiatives internally for the company, our culture fosters personal growth and trust with oneself which results in more ideas, more discussions and open communication between all members.

Watters Environmental is proud to announce we have completed our third annual sustainability report. While still staying true to what matters most – our environment, our people and our community. Our Sustainability Team's theme for this 2016 report is "by employees for employees". You will be able to see this theme throughout our report, in our new initiatives, company results, and community events we participated in during this past year.

As we reflected on our previous two reports (which can be found on our company website) we are excited to say that this year's report will be based solely from January to December 2016 and there will be no overlap of years as noted in previous reports. We hope in doing this it helps keep our findings clear, concise and more comparable year to year.

As always, we are very proud of this report to go along with the others and we hope to continue this journey well into the future to acknowledge that a company, at any size, can make a difference, and work together to give back to the environment, the people and their community.

Sincerely,

Robert J. Watters, Ph.D.

President & CEO

nvironment, people and commu

we plan to continually improve our way of doin performance across these three pillars, and how

emissions associated with Watters Environmental's

measured carbon footprint in 2016

57% COMMUTING | 30% BUSINESS TRAVEL | 13% ENERGY | <1% WASTE



0.5 tonnes The amount of CO2e emissions displaced by using water cooler bott over conventional water bottles

4% reduction in energy consumption from 2013 to 2016

of employees in 2016 were female, and half of them held management positions or higher



91% of employee indicated that they agre

month-long employee engagement campaigns were run in 2016: Water Awareness Month, Smart Office Challenge and Mental Health Awareness Month

\$6711.00

Raised in direct funds or equivalent amounts through various, staff-led charitable initiatives



EIGHT char fundraising eff



Partnered Organizations & Charities included: World Wildlife Fund, City of Vaughan, Heart and Stroke Foundation, Vaughan Food Bank, Shoebox Project for Shelters, Socks 4 Souls, ACCES Employment and Professional Engineers of Ontario (PEO)



#### In 2017, Watters Environmental plans to ...

- Increase the number of employee volunteer hours
- Advance Watters' Green Procurement Plan
- · Implement a coffee cup recycling program
- Increase internal and external communication of sustainability through blogging, external media sou and email updates

# executive SUMMARY

**Nity.** These are the 3 pillars that make up Watters Environmental's approach to sustainability, and how g business and further embody our core values. See below for an overview of our previous year's we plan to address continuous improvement in these areas over the coming year.



66% waste diversion rate where we diverted an equal amount of both recyclable materials and organics, excluding shredded paper



saved annually through recycling our paper waste through a confidential recycling service, "Shred-It"

es completed the annual initiatives survey and 90% of the respondents ed with the charitable initiatives the company supported in 2016

the respondents were aware of our recently introduced by program for business travel

itable initiatives undertaken in 2016 including orts and volunteering

**910 litres** of trash removed from local green space during the City of Vaughan's 20 minute makeover



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### Watters at a glance

e are <u>Watters Environmental</u>. A boutique consulting firm dedicated to sharing ideas and developing strategies with our clients to better manage their environmental risk and find innovative solutions to complex problems.

Making a positive impact within our industry and the environment is what drives us. Everything we do would not be possible without a dynamic, collaborative, and passionate team of individuals.





Established in 2013, the Living Planet @ Work team at Watters Environmental is an embodiment of the company's collaborative culture. Started as an employee-driven initiative, the Living Planet team is responsible for organizing and executing most of the initiatives discussed in this report, as well as preparing the report itself.

It is an engaged group, but not a closed one; the Living Planet @ Work team is frequently seeking out the participation and engagement of all employees, to ensure that the initiatives represent and respect the priorities of the team as a whole.

### rust, Collaboration and Innovation.

The three words this company strives for in every relationship we create, with ourselves, our team members and our clients. Our success and future goals are defined by continuously comparing our performance to these three values.



Everything at Watters Environmental begins with trust - between our team, our clients, and our stakeholders. Trust is essential to developing strong, lasting relationships and fostering a collaborative, creative environment.

# 2. collaboration

A collaborative environment enables us to cocreate innovative, right-fit solutions with our clients. Collaboration relies on open communication between all team members, and empowering all team members to play a crucial role in delivering co-created solutions to our clients.

# 3. innovation

Innovation is the end-product of our process and culture, and is contingent on a high level of trust and collaboration between our clients and team members. A company built on trust and a culture of collaboration fosters not only innovation, but creativity. This focus means challenging the status quo, and approaching complex problems as opportunities to grow, while still delivering reliable and credible service.



n 2013, coinciding with the establishment of the Living Planet @ Work team, a vision statement was developed to reflect the overarching strategy and goals involved in undertaking sustainability as part of our goal to revolutionize the environmental industry. For us, defining sustainability means adhering to a few key tenets, guided by our company's core values.

### sustainability vision statement

- 1. We believe **leading by example** is crucial in building **trusted** relationships with our stakeholders. We apply this to every facet of our company culture, including taking action through our environmental initiatives.
- We strive to provide business solutions through a collaborative approach while maintaining our commitment to the environment.
- 3. We are **committed** to being industry leaders by introducing environmental solutions and ideas, as we aim to revolutionize business.



Vatters Environmental is aware that our business has the potential to affect the natural environment. As a result, we have implemented internal programs to ensure that our business practices incorporate responsible environmental management, and we work with our team to:

- 1. Reduce our resource consumption and minimize our **environmental footprint**.
- 2. Promote positive **environmental stewardship** in everything we do internal and external to the office.
- Promote sustainable practices and environmental awareness amongst our team members.
- Participate in and support events and charities that promote responsible environmental stewardship.

- 5. Ensure that company initiatives remain employee-driven through the Living Planet @ Work team, and that they continue to support the culture and core values of the company.
- 6. Report annually to all stakeholders the environmental performance of the company.
- 7. Strive for continuous improvement in all aspects of environmental performance within the company.





# carbon footprint

n 2016, Watters Environmental's carbon footprint was:

#### **112** tonnes

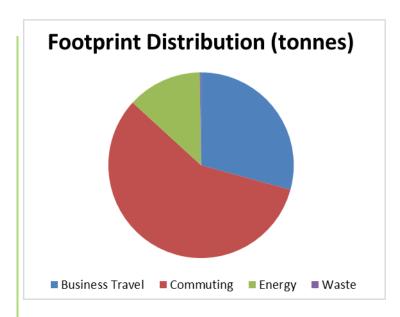
of CO<sub>2</sub> equivalent (CO<sub>2</sub>e) emissions

which is equivalent to...



THE ANNUAL 24 emissions of





#### results breakdown

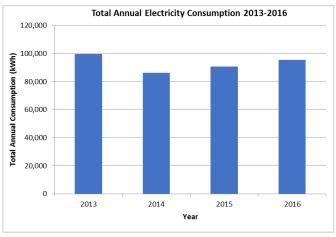
This year our largest contributor to our carbon footprint was commuting to work which generated 64 tonnes of CO<sub>2</sub>e emissions. Business travel via flights and energy use contributed 33 and 14.5 tonnes respectively. Our lowest contributor was waste generated from office activities at 0.5 tonnes of CO2e emissions.

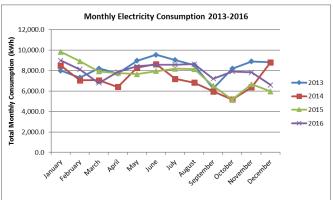
| 57% COMMUTING | 29% BUSINESS TRAVEL | | 13% ENERGY | <1% WASTE |

# energy conservation

#### our calculations

ur office is located in a three-storey commercial building constructed in 2010. Each tenant space is sub-metered for energy billing purposes. The office is powered by energy obtained from PowerStream.





Overall, from our baseline year of 2013 Watters still maintains a trend of decreasing energy use.

#### **limitations**

Decisions regarding retrofitting and installing energy efficient equipment in our building are the responsibility of our landlord. Watters Environmental has still tried to minimize our energy consumption through the use of energy efficient fluorescent lights throughout the entire office, as well as energy efficient printers / photocopiers.

# energy reducing initiatives

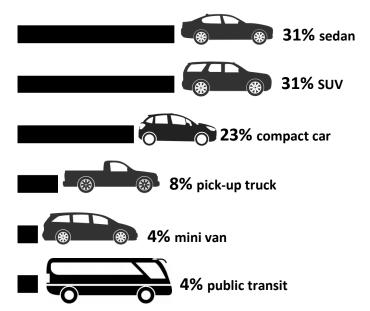
- Conducted a Green Office Challenge: awards were given to staff who remembered to turn off their computers and monitors nightly;
- Hosted a "Sweater Day", where the office temperature was reduced by 2°C on a winter day;
- Celebrated Earth Hour by turning off all the lights in the office for an hour during the work day;
- Turned off all non-emergency lights on evenings and weekends; and
- Set the office thermostats to 22°C during office hours and reduced the temperature to 18°C on evenings and weekends.

18



### daily commuting

his year, Watters employees took the following modes of transportation to and from work:



Our commute to work contributes to almost **60%** of our company's calculated carbon footprint. Although we are located in close proximity to public transit, our field staff require access to a vehicle for business-related travel. The uncertainty and frequency of this travel often makes it difficult for staff members to take public transit or carpool with co-workers regularly.

286,570 km
to and from our office and their homes

#### business travel

flights

flights

flights

formula tonnes of CO<sub>2</sub>e
emissions

Based on the nature of the services we provide for our clients, it is difficult for Watters
Environmental to reduce business travel. As such, one of our ongoing goals since 2015 is to look into other possibilities to offset the emissions. An initiative in 2016, had field staff car pool to Site whenever possible.

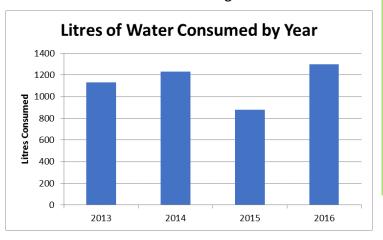
### water consumption

### water usage

Within our office, water is used for domestic purposes (e.g. washrooms, drinking, washing dishes). It should be noted that the washrooms are shared with two other tenants within our building. Our domestic water consumption was not calculated for this report.

#### water cooler

Over the past 4 years, 4,543 litres of water have been consumed via reusable glass water cooler bottles. We purchase our water from Cedar Springs. The water is sourced from Oro Medonte, Ontario, a certified Canadian spring by the Ministry of the Environment and Climate Change.



By purchasing our water from Cedar Springs we have saved...



and

**0.75** tonnes of CO<sub>2</sub>e emissions



This is equivalent to ...

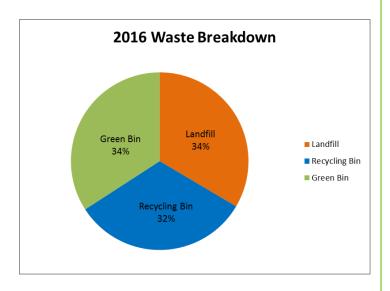
#### **DRIVING A COMPACT CAR**

4767 km

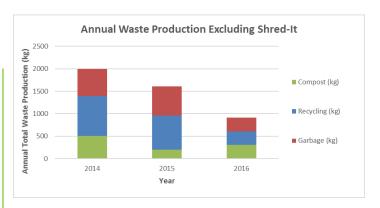
# waste diversion

#### waste audit

he results of our 2016 waste audit showed a **66% diversion rate**. This year's waste audit did not include an inferred measurement of the paper waste that is recycled through Shred-It services, a confidential paper waste recycler.



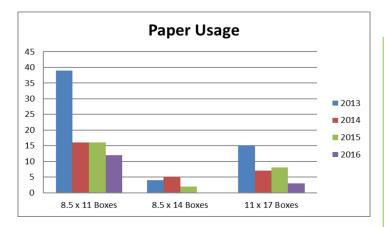
Excluding Shred-It values, our overall waste production decreased in 2016 compared to 2015, corresponding with a lower number of full-time employees in addition to the implementation of new waste reduction initiatives.



# waste reduction initiatives

- Introduced a single serve coffee machine that uses compostable coffee "pods" with recyclable packaging;
- Collected e-waste as well as used office supplies to return to third-parties that recycle these materials and divert them from landfill;
- Held a lunch-and-learn session to share the findings of the waste audit and promote proper waste diversion habits within the office; and
- Implemented a voluntary organics takehome program allowed additional waste to be diverted, as the office building we lease does not divert this waste.

### paper usage



ue to the nature of our business, roughly **18%** of our total waste is paper. While we use large amounts of paper, our consumption has decreased, across all paper types, from our 2013 baseline year.

100% of the paper we use is certified by the Forest Stewardship Council (FSC), this guarantees that the product meets strict environmental and social standards so consumers can trust that the wood and paper products they purchase come from healthy forests and strong communities.

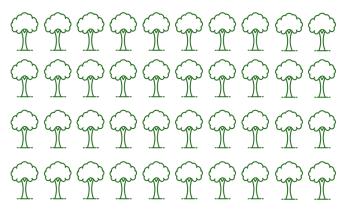


### paper recycling

As a consulting firm, our documents must be kept confidential, which has resulted in the implementation of a "shred all" policy. We contract a confidential paper waste recycler, Shred-It, to collect our paper waste and recycle it at an off-Site facility.

Watters Environmental has three Shred-It bins in our office that are emptied twice monthly. Based on information provided from Shred-It and the frequency of collection, it is estimated that we save the equivalent of ...

#### **36 trees** annually









ere at Watters, we would be nothing without our dedicated and actively engaged team.

Our company adheres to an open structure and flat management scheme, where strong communication and collaboration exists among all staff. We believe that allowing all of our team members to sit at the table encourages new perspectives and innovative solutions.

# equality & diversity matter

- In 2016, 52% of our employees were women, and half of them held management positions or higher; and
- Between all members of our team we can speak 8 languages!



### emplovee engagement

### initiatives survey

ach year, the Living Planet @ Work team issues a voluntary survey to all employees to solicit feedback on the initiatives and events organized and areas that can be improved upon. Since most sustainability initiatives rely heavily on employee participation, it is of utmost importance that all employees feel represented.

### survey results

- 91% of employees completed the voluntary initiatives survey;
- Two-thirds of respondents were aware of our new initiative to offset carbon emissions associated with business travel;
- 90% of participants agreed that our waste diversion programs are important;
- 90% of respondents agreed with the charities and organizations Watters supported in 2016; and
- 3/4 of employees read our 2014-2015
  Report and 89% of survey participants
  see value in having a sustainability
  report for employees and external
  stakeholders.











### employee feedback

Here are some comments and suggestions from our employees:

- "I would love to see Watters participating in an event that focuses on education for groups that may have difficulty accessing it"
- "I am open to do whatever we can accomplish where there is interest, passion and commitment"
- "I would love to see us use the [office garden] produce and make something in the office to share with everyone"

Here is some specific feedback on our new carbon offset initiative:

- "Every little bit counts"
- "Amazing investment, little money for a big impact"
- "It shows our [stakeholders] that we consider the environment all the time and not just when it matters for a specific job"







AUGUST 1, 2016 LIVING PLANET AT HOME

ets

New in 2016, the Living Planet team went beyond the workplace to help employees incorporate sustainability into everyday living. The main facet of this initiative involves a monthly newsletter that explains small conservation efforts that can make a big impact over time.

Today, I am Grateful for...

| Today | I am Grateful for... | Following | Foll

OCTOBER 1—31, 2016

MENTAL HEALTH

AWARENESS

MONTH

For the month of October, we participated in Health Awareness
Month, with a focus on mental health. Our goal by the end of the month was that all our team members would be better educated about mental disorders. We focused on a different type of mental disorder each week (Dementia, Anxiety Disorders, Eating Disorders, and Mood Disorders) and gave our team helpful resources, video clips and a challenge to partake in.

or the month of April, Watters participated in a mber of initiatives to increase awareness and do our rt for the Earth. We participated in the WWF CN ower Climb to raise money for nature conservation d the City of Vaughan's '20 Minute Makeover'. We d an Earth Day potluck lunch, implemented asteless Wednesdays' and started our very own fice garden.

AUGUST 1—31, 2016 WATER AWARENESS MONTH For the month of August, we launched our 2<sup>nd</sup> annual Water Awareness Campaign. Beginning August 1<sup>st</sup>, our team embarked on a Hydration Challenge to drink the recommended 8 glasses of water a day for the whole month! Throughout the campaign we focused on health benefits of getting enough water, ways to conserve water at home and the importance of water as a natural resource.











As a boutique consulting firm, we feel it is very important that the company seeks out opportunities to give back to the community, both locally and in broader terms - however big or small those contributions may be.

Here we highlight charitable initiatives and events that the company has participated in that were chosen because they support organizations that seek to improve our local and global community.

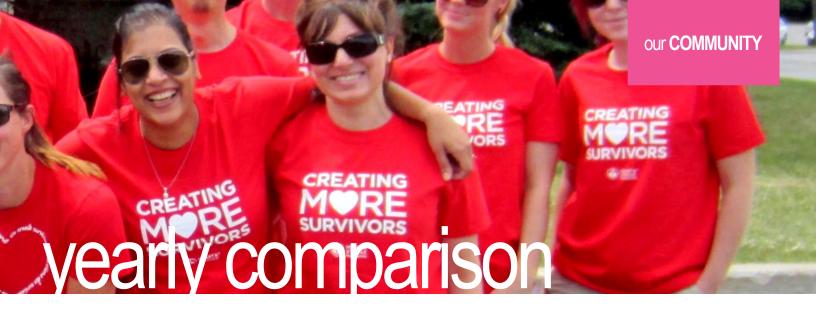
#### summary

- Over \$6700.00 raised for local and national charities;
- Eight community initiatives undertaken;
   and
- 910 Litres of garbage picked up in our local community during the City of Vaughan's 20 Minute Makeover.

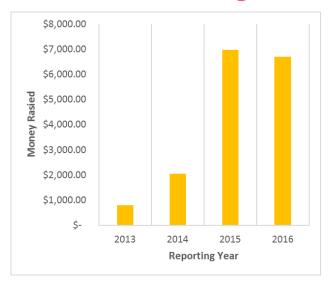
### our partnerships







### fundraising



With an increase in the number of charitable initiatives organized, donations have more than doubled since 2015.

#### 20 minute makeover

The figure below shows the year to year comparison of the amount of litter collected during the City of Vaughan's 20 Minute Makeover spring clean-up. This year we collected 7 bags of garbage which is slightly lower than previous years but still works out to a volume of **910 L** of waste no longer present in local green space!

2013-2014 2014-2015 2016







OCTOBER 12, 2016

N FOOD BANK

IANKSGIVING

FOOD DRIVE

We partnered with our local Vaughan Food Bank to help collect non-perishable food items for those who may need a little help during the holiday season. Given our small size, our goal was to fill one barrel. We were amazed on our team's feedback. Together we helped many local families have something to eat for



**NOVEMBER 23, 2016** 

#### SHOEBOX PROJECT



The Shoebox Project is a foundation that Watters
Environmental has been supporting since 2013. Due to our fundraising efforts, our team was able to fill 15 boxes of various handmade and purchased items that women at-risk of homelessness may need during the holidays.

eam
vent to raise
s for the Heart
. This event
as a company
only did we
eat cause,
imployees a
building day out

e office.

NOVEMBER 9, 2016 SOCKS 4 SOULS

Thanksgiving.

\$100.00 RAISED

We all agree on the importance of having socks during the winter months. We hosted a Soup Day in the office where for a small donation, team members got to have their choice of two homemade soups, a bun and dessert. With our

donation,
Socks 4 Souls
were able to
purchase socks
for Toronto's
homeless
community.

**NOVEMBER 29, 2016** 

PEO EVENT WITH WATTERS
ENVIRONMENTAL

In partnership with the
Mississauga Chapter of
Professional Engineers of
Ontario, Watters hosted a
presentation for new
graduates about career
opportunities in the
Environmental field. There
was brief presentation and a
Q&A with a panel of
professionals from
multiple

avenues of the industry.









# 2016 goals, revisited

- 1. Implement a carbon offsetting initiative to mitigate the impacts of unavoidable business travel by airplane.
- **\**
- 2. Participate in the Great
  Canadian Shoreline Clean-up
  and a tree planting event.

IN PROGRESS

3. Improve office waste diversion rates, with a focus on employee work stations.



4. Increase the length and/or the degree of difficulty of internal sustainability challenges.



5. Increase both internal and external communication of sustainability initiatives via blogs, external media sources and email updates.



Develop a Green Procurement
Policy, which establishes
environmental and social
responsibility criteria for the
purchasing of goods and
services.

IN PROGRESS

Develop and launch a Living Planet @Home initiative in order to empower staff to pursue a sustainable lifestyle outside of the workplace.



8 Continuously increase our team's fundraising goals for larger annual charitable initiatives.



Continue to expand environmental reporting efforts in order to accurately capture our emissions value in our carbon footprint. Specifically, we will focus on developing an approach to measure business travel by car.

# what's next ..

2017

n 2017, Watters Environmental plans to give even more back to our environment, people and community by:

- 1. Increasing the number of volunteer hours collectively completed by employees to 150 hours in honour of Canada's 150<sup>th</sup> Anniversary.
- Continuing to participate in existing charitable initiatives as well as find new charities to partner with.
- 3. Finalizing Watters Environmental's Green Procurement Plan which establishes environmental and social responsibility criteria for the purchasing of goods and services.

- 4. Improving waste reduction, by implementing a coffee cup recycling program.
- 5. Increasing team fundraising goals to surpass the recognized value of 2016.
- 6. Participating in cleaning waste around our community during lunch breaks.
- Continuing to promote both internal and external communication of sustainability through blogging, external media sources and email updates.



# TERS IRONMENTAL UP INC.®