





ABOUT THIS REPORT

Welcome to our fourth annual sustainability report. This report represents a summary of the impacts, efforts, and achievements of Watters Environmental Group Inc. from January 1, 2017 to December 31, 2017.

Any questions regarding the contents of this report can be directed to: info@wattersenvironmental.com



LETTER FROM THE PRESIDENT

What a year 2017 turned out to be! Watters Environmental continues to stay true to our mandate of being trusted advisors and co-creating innovative solutions with our clients to help them solve their complex environmental issues. On top of this, our dedicated employees continue to raise awareness through sustainable initiatives, and participate in community events that give back to our environment, our people, and the community we are a part of.

The culture we've curated here at Watters Environmental is what allows us to really adhere to the three pillars of our business: trust, innovation and collaboration. From working with our clients, to creating new sustainable initiatives internally for the company, our culture fosters personal growth and communication with all members which result in more discussions, more ideas, and ultimately more solutions.

We are proud to share with you our fourth annual sustainability report. Our Sustainability Team's goal for these annual reports continues to be "for employees, by employees". Keep this in mind as you read through our new initiatives, company results, and community events we participated in during the past year.

With each year of sustainability reporting, we strive to reach more of our goals and improve our initiatives. This is why we feel it is so important to provide comparisons of our yearly results to measure our performance.

As always, we are very proud of this report 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 and the community.

Sincerely,

Robert J. Watters, Ph.D.

President & CEO

EXECUTIVE SUMMARY

See below for an overview of our previous year's performance through our environmental impact and community initiatives and how we plan to address continuous improvement in these areas over the coming year.

OUR ENVIRONMENT

18% the percentage reduction in Watters' electricity usage in 2017 compared to 2016.



19 tCO₂e

the amount of carbon offsets purchased to make air travel carbon neutral in 2017.

117 tCO₂e



Watters' carbon footprint in 2017; reduced 16% due to our carbon offsetting investments.



OUR COMMUNITY



the amount raised for various local and national charities in 2017.

380h the number of hours our staff spent volunteering in our community in 2017.



the number of community groups Watters partnered with in 2017. These included: City of Vaughan, Journey to Conquer Cancer, ADL Process Electronics Recycling, Shoebox Project for Shelters, Neighbourhood Network, and the Salvation Army.



OUR FUTURE

2017



- ♦ Completed over 150 volunteer hours;
- ♦ Finalized our Green Procurement Plan;
- ♦ Implemented a coffee cup recycling program;
- ♦ Participated in community litter clean-ups; and
- ♦ Increased communication of sustainability initiatives.



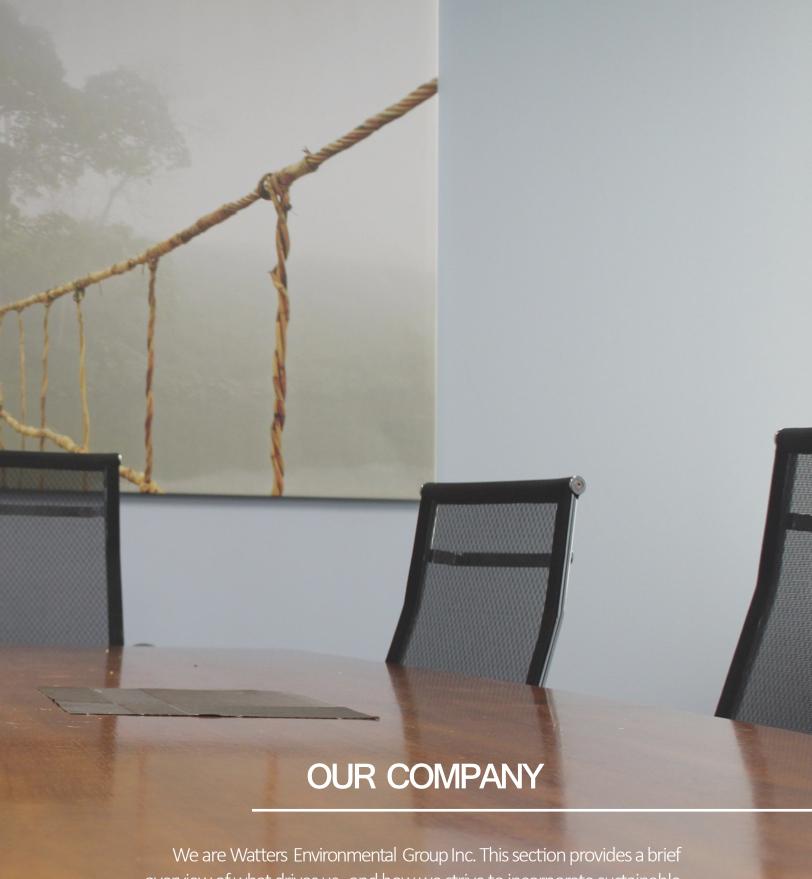
2018

- ♦ Reduce our paper consumption;
- ♦ Participate in a shoreline clean-up;
- ♦ Participate in the Heart & Stroke Big Bike charity event; and
- ♦ Continue to track our volunteer hours.

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We are Watters Environmental Group Inc. This section provides a brief overview of what drives us, and how we strive to incorporate sustainable practices into our daily decisions, especially those that affect our environment, community, and future.

INTRODUCTION

WATTERS AT A GLANCE

We 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.



OUR NEW OFFICE

Watters Environmental has a new home! We moved locations at the beginning of 2017 to a single storey office complex. After some brainstorming, the Watters team decided that we needed an open, collaborative style office, with multiple areas for people to exchange ideas and promote creativity. This space is exactly what we were looking for.

OUR VALUES

These are 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.



Trust.

Trust is essential for developing strong, lasting relationships and fostering a collaborative, creative environment.



Collaboration.

Collaboration relies on open communication and empowerment of all team members to play a role in creating solutions for our clients.



Innovation.

Innovation is the end-product of our process, and is contingent on the trust and collaboration between our clients and team members.



SUSTAINABILITY AT WATTERS

SUSTAINABILITY VISION STATEMENT

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.

We are committed to being industry leaders by introducing environmental solutions and ideas, as we aim to revolutionize business.

ENVIRONMENTAL POLICY

- Reduce our resource consumption and minimize our environmental footprint;
- 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;
- 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;
- Report annually to all stakeholders the environmental performance of the company; and
- Strive for continuous improvement in all aspects of environmental performance within the company.







ENERGY CONSERVATION

OUR CALCULATIONS

Our office is located in a single-storey commercial building. Each tenant space is sub-metered for energy billing purposes, allowing us to track our own usage. The office is powered by energy obtained from PowerStream and natural gas obtained from Enbridge.

YEAR OVER YEAR COMPARISON

We analyzed our total energy usage for 2017 and compared it to previous years. This year, we used approximately **78,500 kWh** of electricity, our lowest value in our five years of tracking our electricity usage.

We also note that because we have moved into a new office space, a full comparison to previous years was not possible.

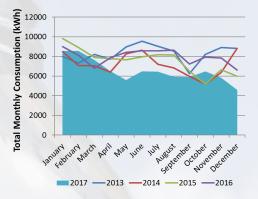


Did you know?

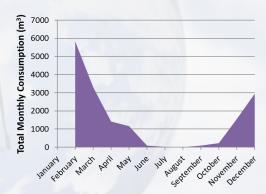
If all Canadians lowered their thermostats by just 2°C each winter, it would be equivalent to taking nearly 700,000 cars off the road! Here at Watters Environmental we reduce the temperature in the evenings and over the weekends to reduce our energy consumption.

SEASONAL TRENDS

The chart below shows a year over year comparison of monthly energy use. In 2017, we see a decrease in energy usage compared to all previous years during the summer months.



The chart below shows our monthly gas usage. 2017 was the first year we were able to track this. We hope to continue to monitor and compare our gas consumption in subsequent years.



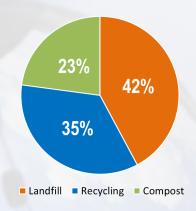
ENERGY REDUCTION INITIATIVES

- Turning off all non-emergency lighting and reducing the thermostat temperature on evenings and weekends; and
- ♦ Hosting a "Sweater Day", where the office temperature was reduced by 2°C on winter day and employees were encouraged to wear cozy sweaters.

WASTE DIVERSION

WASTE AUDIT

The result of our 2017 waste audit shows a **58%** diversion rate. This value excludes the paper we recycle through our confidential paper waste recycler, Shred-It.



After examining the composition of our waste going to landfill, we determined that it was made up of the following:

- ♦ 44% compostable materials; and
- ♦ **5%** recyclable materials.

If we could properly dispose of these products we could reduce our waste going to landfill by almost **50%**!

WASTE PRODUCTION

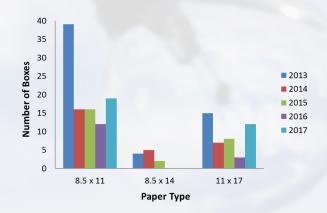
Overall waste production has decreased slightly since 2016. However, a smaller proportion of waste was diverted to recycling or compost than previous years.



PAPER USAGE

In 2017, Watters Environmental used approximately 120,000 sheets of paper which works out to be **315 kg**!

Our company purchases 100% FSC certified paper and all printers default to printing double-sided.



PAPER RECYCLING

We contract a confidential paper waste recycler, Shred-It, to collect our paper waste and recycle it at an off-Site facility. Based on information obtained from Shred-It we recycled approximately **1600 kg** of paper waste in 2017.



WASTE REDUCTION INITIATIVES

- Introducing a paper towel and tissue composting program; and
- ♦ Introducing a coffee cup recycling program.

TRANSPORTATION

DAILY COMMUTING

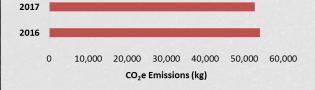
Commuting to work continues to be a large contributor to our company's greenhouse gas emissions. Our field staff require a vehicle for business-related travel, often at a moment's notice. The uncertainty and frequency of this travel makes it difficult to take public transit or carpool with co-workers regularly.

In 2017, Watters Environmental employees travelled **278,600 km** commuting back and forth to our Concord office resulting in the generation of **53 tonnes** of CO_2e emissions. A comparison to last year shows a slight reduction in all areas.

Total distance travelled during daily commuting



Total GHG emissions from daily commuting



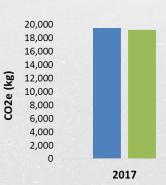
BUSINESS TRAVEL

In 2017, Watters Environmental employees took 37 round-trip flights from Toronto to client sites across Canada. In total, we flew **104,460 km** on company business, which generated **19 tonnes** of CO_{2e} emissions.

CARBON OFFSET INITIATIVE

Last year, we implemented an initiative to purchase carbon offsets for air travel. This year, our carbon offsets helped invest in:

- ♦ Forest restoration;
- Landfill gas recovery;
- ♦ Tire recycling;
- ♦ Energy efficient buildings
- Municipal organic waste; and
- Natural waste water treatment.



■ Business Flights ■ Carbon Offsets Purchased

of Watters' business air travel was carbon neutral this year!

CARBON FOOTPRINT

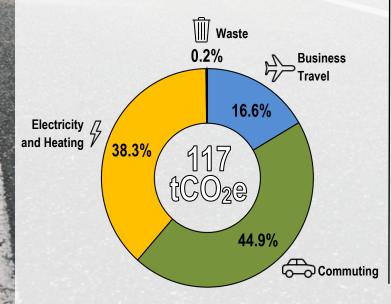
THE BREAKDOWN

For 2017, our total calculated carbon footprint was approximately **117 tonnes** of CO_2 equivalent emissions (tCO_2e) .

This is equivalent to the annual emissions of **26 passenger vehicles**, and would require **43 hectares of forest** to sequester the CO₂ emissions we produced.

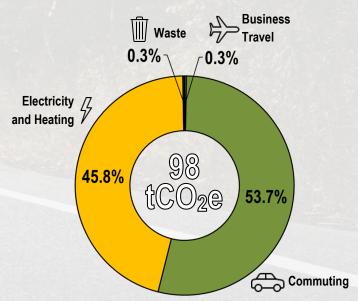
We calculated the tCO₂e for each sub-category:

- 53 tCO₂e generated from commuting to work;
- ♦ 45 tCO₂e generated from our electricity and heat usage;
- ♦ 19 tCO₂e generated from business air travel; and
- ♦ **0.3 tCO₂e** generated from waste.



OFFSETTING EMISSIONS

As mentioned previously, Watters Environmental has been purchasing carbon offsets for air travel since 2016. As such, we were able to essentially eliminate our business travel footprint and shrink our overall carbon footprint to 98 tCO₂e, a reduction of 16%!



Every little bit counts ...

We are always looking for ways to save energy and waste. This year, Watters Environmental traded in three cellphones to our service provider. This saved: 144.37 kWh of energy, and 30.5 kg of air emissions!





EMPLOYEE ENGAGEMENT

LIVING PLANET @ WORK

The Living Planet @ Work team is our internal sustainability team here at Watters Environmental. The group is responsible for planning, organizing, promoting, and executing the various initiatives and events for Watters Environmental employees.

INTERNAL INITIATIVES

Watters Environmental employees were encouraged to participate in various sustainability, waste reduction, and fundraising events in 2017. These events are highlighted as follows:

- Employees participated in numerous events to raise money for the Princess Margaret Cancer Centre including: a pancake breakfast, a soup day lunch, a 50/50 draw, and a paint night fundraiser;
- Employees took part in Earth Week awareness events including: Earth Day trivia, a documentary screening, and a 20-minute litter clean-up in our community;
- Employees brought in their old electronics for an ewaste recycling drive to divert these materials from landfill; and
- Employees participated in a Halloween soup day lunch and costume contest to raise money for the Shoebox Project to benefit women in shelters.

MEASURING ENGAGEMENT

The Living Planet @ Work team issues an annual company-wide survey to receive feedback on the sustainability and charitable initiatives Watters Environmental participates in each year. This helps dictate the initiative and event planning for the upcoming year. The following is a summary of the results for 2017:

94%

of respondents agreed with the charities and organizations we partnered with in 2017.



88%

of respondents noted that waste diversion was very important and that they participated often.



75%

of respondents agreed that there was value to having a sustainability report for external stakeholders.



COMMUNITY MATTERS

COMMUNITY INVOLVEMENT

As a boutique consulting firm, we believe 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.

In addition to our internal awareness events, Watters Environmental participated in external company-wide initiatives to give back this year. The following highlights our efforts:

- We raised over \$4,600 for local and national charities including, the Princess Margaret Cancer Centre and the Shoebox Project;
- We completed over **380 hours** of volunteer work in the community. 75 hours were company organized charity events, while the remainder were employees' own personal initiatives;
- We planted **over 100 trees** in our local community in partnership with the Neighbourhood Network;
- We removed approximately 20 bags of litter from our local greenspace during community clean-up events; and
- We held **two** holiday clothing and housewares drives with donations benefitting the Ontario Federation for Cerebral Palsy and the Salvation Army.

NEW COMMUNITY INITIATIVES

- Participation in the Journey to Conquer Cancer Run or Walk benefitting the Princess Margaret Cancer Centre;
- ♦ Participation in the Neighbourhood Network's tree planting event in King Township; and
- ♦ Participation in litter clean-ups during lunch hour in the greenspace surrounding our office.



A note of pride ...

Watters Environmental was named one of Canada's Top 100 Small and Medium Employers in 2017. This was awarded based on our many employee events and training opportunities, as well as our charitable initiative participation.

OUR PARTNERSHIPS











EVENTS AND INITIATIVES





Watters Environmental moved at the beginning of 2017. Instead of taking all of our old furniture to a landfill, we decided to donate it to the Salvation Army. We were able to donate a truckload full of office chairs, desks, and cabinets to assist others in need.

Watters Environmental partnered with The Ontario Federation for Cerebral Palsy before Easter to collect gently used clothing, toys, and housewares. These items were collected for resale to raise money for services, resources and programs for those living with cerebral palsy.

JANUARY 30TH, 2017

OFFICE FURNITURE DONATION

MARCH 1ST—APRIL 13TH, 2017 **EASTER CLOTHING DRIVE**

FEBRUARY 28TH, 2017 PANCAKE TUESDAY

This year, we used this annual event to raise money for our team members participating in the Journey to Conquer Cancer walk. Staff members got to enjoy some delicious pancakes and provided donations to help our team get closer to our fundraising goal.







EVENTS AND INITIATIVES ... CONTINUED



For Earth Week this year, Watters Environmental employees participated in environmental awareness events throughout the week including: Earth Day trivia, a documentary screening of Mission Blue, and a litter clean-up outside our office.

APRIL 24TH—28TH, 2017 **EARTH WEEK**

APRIL 21ST, 2017 PAINT NIGHT

Watters Environmental hosted a Paint Night fundraiser to raise money for our team participating in the Journey to Conquer Cancer walk. We had a great turn out with family, friends and clients, expressed our artistic talents, and got that much closer to our fundraising goal.

APRIL 28TH, 2017 VAUGHAN 20-MIN MAKE-OVER

Watters Environmental partnered with the City of Vaughan in order to clean-up the natural environment around our office. Our team collected 10 bags of garbage and an old tire. Watters has participated annually in this event for 6 years (since 2011)!





EVENTS AND INITIATIVES... CONTINUED





In partnership with the Neighbourhood Network, we participated in Spring Tree Planting Day at Pottageville Pavilion in King Township. Staff members took time out of their weekends to plant over 100 trees!

APRIL 29TH, 2017
TREE PLANTING

In partnership with ADL Process Electronics Recycling, Watters Environmental collected staff members' old electronics. The drive was a huge success! We collected old computers, printers, and small appliances that would have otherwise taken up space in a landfill.

OCTOBER 1ST—31ST 2017

ELECTRONICS RECYCLING DRIVE

JUNE 18TH, 2017 JOURNEY TO CONQUER CANCER

MONEY RAISED: **\$4,037.00**



13 members of our team participated in this event to raise awareness and funds for the Princess Margaret Cancer Centre. The Watters' team collectively decided that all the proceeds raised would go to colon cancer research.



EVENTS AND INITIATIVES ... CONTINUED



We partnered with the Salvation Army before the holiday season to collect gently used items for those in need. Our team donated more than 10 bags of clothes, toys, and housewares!

NOVEMBER 1ST—30TH, 2017

CLOTHING DRIVE

OCTOBER 31ST, 2017 HALLOWEEN SOUP DAY

We hosted a Soup Day and costume party in the office, where staff got to have their choice of two homemade soups for a donation. The money raised went towards purchasing supplies for our Shoebox Christmas Drive to benefit women in shelters.

NOVEMBER 24TH, 2017 THE SHOEBOX PROJECT

MONEY RAISED: \$600.00



The Shoebox Project is a charity that Watters Environmental has been supporting since 2013. Due to our fundraising efforts, our team was able to fill 12 boxes of various items that women at-risk of homelessness may need during the holidays.









2017 GOALS, REVISITED

Increase the number of volunteer hours collectively completed by employees to 150 hours in honour of Canada's 150th Anniversary.



This year, Watters Environmental employees put in over 380 volunteer hours in our communities!

Continue to participate in existing charitable initiatives as well as find new charities to partner with.

This year, we added tree planting and the Journey to Conquer Cancer to our list of annual initiatives.



Finalize Watters Environmental's Green Procurement Plan.

Watters Environmental implemented our Green Procurement plan to seek more eco-friendly options for our regularly purchased office products such as dish detergent and paper towel.



Implement a coffee cup recycling program to further divert waste.

This year, a program was implemented to collect coffee cups separately in order to properly recycle them.



Increase team fundraising goals to surpass those set in 2016.

Team fundraising to support our major charity event this year was increased by multiple external and internal fundraisers including a paint night, soup day, and a 50/50 draw.



Participate in picking up waste around our community during lunch breaks.

Watters Environmental organized regular waste clean-up events during the summer to actively participate in keeping our local greenspace clean.



Continue to increase both internal and external communication of sustainability initiatives.

This year, a focus was put on increasing blog posts about internal and external events. Watters Environmental also started using an instant messaging platform that allows Living Planet @ Work updates to be posted quickly and easily.



WHAT'S NEXT

2018

In 2018, Watters Environmental plans to continue giving back to our environment and community by:

- Reducing paper consumption. We plan to investigate more ways of incorporating paperless habits into our everyday business while also streamlining our paper recycling tracking program.
- Participating in a shoreline clean-up. Aquatic environments are some of the most sensitive and biodiverse areas in our local ecosystem. We plan to help remove waste that may be contaminating our local rivers and streams.
- Participating in the Heart & Stroke Big Bike charity event. We have decided to participate in one major fundraising charity event per year. Our goal is to surpass the money raised by our team in 2017!
- Continuing to track our volunteer hours. 2017 was the first year that we actively tracked our volunteer hours. In 2018, we are planning to continue to track the hours that Watters Environmental spends volunteering through our Living Planet organized initiatives.

