



LAPORTE

CORPORATE SOCIAL RESPONSIBILITY REPORT

2023



MISSION

Provide high-value engineering services to pharmaceutical, agrifood and bioindustrial facilities.

OBJECTIVES OF THE REPORT

- Provide LAPORTE stakeholders (employees, customers, suppliers, and partners) with a **framework** to illustrate management's commitment to **environmental, social** and **governance** issues related to the company's activities.
- Provide engineering consulting services and solutions in a **responsible and sustainable** manner to LAPORTE's clients.
- LAPORTE commits to **continuously improving** the company activities and provide exciting and innovative projects for employees to work on.

PILLARS OF OUR COMMITMENTS



GOVERNANCE



ENVIRONMENT



DIVERSITY &
INCLUSION



HEALTH &
SAFETY

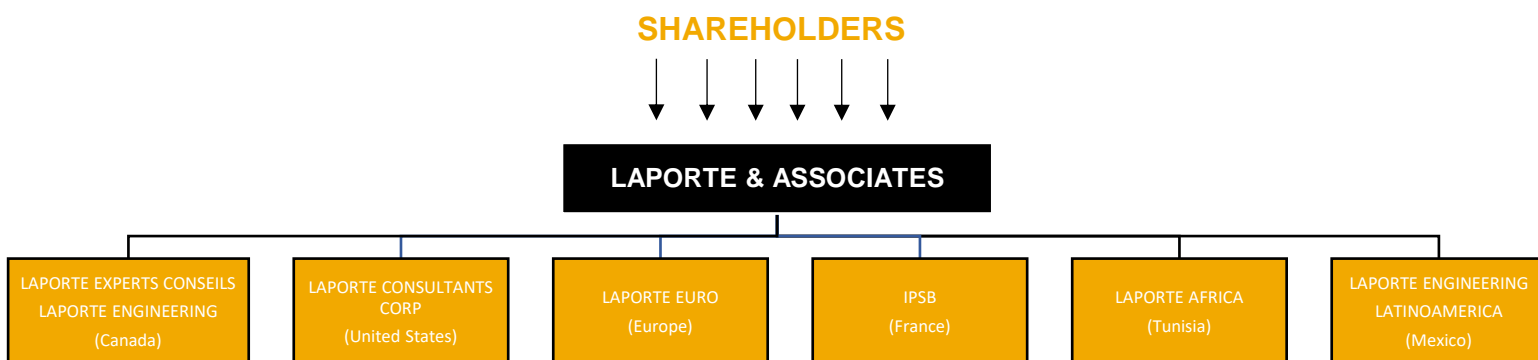


ETHICS



GOVERNANCE

LAPORTE & Associates (L&A) is a holding company that owns 100% of its engineering and turnkey subsidiaries in Canada, the United States, and Europe, with a workforce of 480 valuable employees as of 2023. This organizational structure promotes cooperation rather than competition between the different entities, avoids unnecessary internal politics, and fosters entrepreneurial decision-making within the company.



We have opened two new subsidiaries, one in Tunisia to better serve our clients in the Maghreb, and possibly those throughout the African continent, and one in Mexico to support our expansion into Central America.

L&A's governance aims to ensure sustainability and growth within the framework of the mission statement while respecting values of integrity, respect, teamwork, and diversity.

There are thirty L&A's shareholders actively involved in at least one subsidiary. As shareholders of L&A, they have the success of the whole group at heart, creating a rather remarkable synergy effect. With the average age of the shareholders being 42 years of age, integrating younger shareholders ensures the company's sustainability and longevity.

L&A's Board of Directors comprises 10 members, including eight shareholders holding the most shares and two representatives for the remaining shareholders. The representatives are elected by all shareholders on a two-year rotating basis. The L&A Board of Directors appoints the subsidiary Board of Directors; establishes the overall corporate strategy; consolidates the financial statements prepared by an external accounting firm and presents them to the shareholders, and authorizes the sale and repurchase of shares.

Each subsidiary has the same mandate as the L&A Board of Directors, as well as additional responsibilities for promoting a corporate culture consistent with L&A's values. The



subsidiaries have the autonomy to adapt operations to the specific culture of the country of operations without interference from other shareholders or the L&A Board of Directors.

North American and European federal governments have identified a critical need to bring production “back home”, returning everything back to the country where it was initially manufactured. This has brought about new reinvestment policies in the agrifood and biopharmaceutical industries, providing businesses the opportunity to grow and upgrade, and in some circumstances experiment with new processes and technology. LAPORTE will become more important in these markets while gradually developing our presence in other regions of the world.

We are facing several challenges, one of which is to continue to grow our regional and international presence while maintaining the essence of a small business enterprise. We pride ourselves on accomplishing small strategic mandates for our clients while carrying out a growing number of large-scale projects. Another challenge is to maintain a flexible and individualized approach with our employees as they are the reason for the success of our company and why our clients trust us with their projects.

Finally, we need to be more committed to accepting projects that focus on building factories and facilities that minimize environmental impacts. LAPORTE recognizes the urgent need to shift towards greener and more sustainable practices in all aspects of our business and services provided to clients.

We are proud to design facilities for clients whose mission is to feed and care for an ever-growing world population.

Daniel Laporte

President & Founder





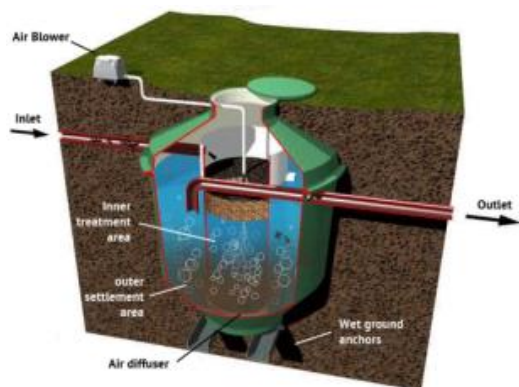
ENVIRONMENT

Our environmental policy has three components: reducing our carbon emissions, reducing the environmental footprint of our clients' facilities, and providing training to our employees on environmental issues and sustainability practices that maximize design components.

Reducing emissions and carbon footprint

By 2026, our goal is to achieve a 50% reduction of our carbon emissions compared to our base year of 2019¹. Our emissions were drastically reduced during the COVID-19 pandemic but have since increased. Our European companies are on track to meet the target, but more awareness is needed in North America. The relocation of three offices in Canada has created a significant but non-recurring environmental impact. Frequent flying due to our expansion in the United States is also an issue.

We are offsetting our carbon emissions by partnering with the Gold Standard Program. To offset our 2021 emissions, we bought a credit for 2,000 tCO₂e to finance four international projects: access to drinking water in Laos; the production of biogas in isolated communities in India and Cambodia; and cooking solar ovens in a refugee camp in Chad. We will buy additional carbon credits to offset our 2022 emissions of 3,500 tons.



Biogas production in isolated communities.



Solar ovens for a refugee camp

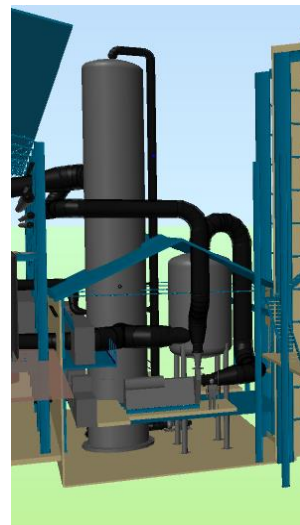
¹ 6.5 tCO₂e per employee for scopes 1, 2 and 3, by using the Green House Gas Protocol methodology.
<https://www.goldstandard.org/>



Reducing the overall environmental footprint of carbon factories

LAPORTE is an expert in manufacturing processes, and we have the knowledge required to reduce the environmental impact of operations in many manufacturing facilities. We can reduce the environmental footprint of client facilities in several ways:

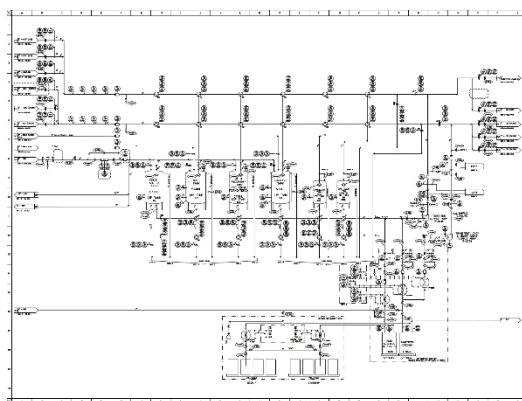
- Carbon footprint calculation
- Process energy audit
- LEED certification
- Measurement and monitoring of domestic water consumption
- Boiler room optimization study
- Building recommissioning study
- Diagnosis of ventilation and refrigeration systems
- Improved building control algorithms
- Make-up air preheating studies
- Effluent energy recovery study
- Power factor and harmonic studies
- Heat recovery process energy analysis
- Improved process operation



Mechanical evaporative steam compressor



Alfalfa drying biomass boiler 11 MWh



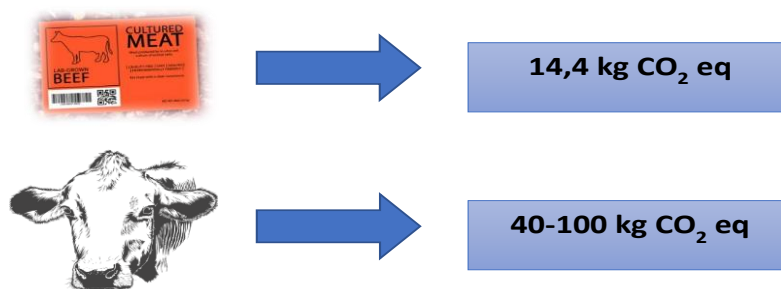
Process diagram including cleaning-in-place system.



Environmental training for our employees

The growing world population, the effects of global warming, the overuse of natural resources, and various international conflicts contribute to creating enormous pressure on the food industry. Solutions must be found to improve the food supply while reducing its environmental impact.

LAPORTE has created the working group *Novel Foods for the 21st Century* to provide training and awareness to our employees on how to reduce environmental impacts of food growing and manufacturing. The first training focused on factory-grown meat, the state of the market and applicable regulatory frameworks, the technologies available, and the challenges and opportunities of this new industry. More training will take place in 2023 and beyond and will focus on proteins from fermentation, vegan cheeses, the production and processing of insects, microalgae, and the recovery of biomass waste.



Our employees also received training relating to the 15th United Nations Convention on Biological Diversity (COP15). This training explained the intrinsic relationship between the environment and biological diversity, the urgent need to act to protect biodiversity, and the United Nations' Global Biodiversity Framework. Pollution, including from chemicals, is a significant driver of biodiversity loss, particularly around pesticides and fertilizers. LAPORTE is uniquely positioned to work on projects that prioritize biopesticides and organic fertilizers.

Other trainings were given on fuel cells, alternative proteins, and living drugs to treat cancer (CAR T Cells).





DIVERSITY & INCLUSION

Develop and implement human resource management practices that promote inclusion and recognize the valuable contributions of women, ethno-cultural minorities, persons with disabilities, diverse cultural communities, and people from the 2SLGBTQ+ community. Our employees aged 20 to 74 years come from all these social spheres.

GLOBALLY

Openness to difference and diversity is a fundamental value of our company. We are proud and lucky to have 5 women shareholders and 8 women among our Boards of Directors. Our employees come from over 50 countries and practice a wide range of religions.

NORTH AMERICA

In North America, all managers and employees have completed the **Respect in the Workplace** training to equip them to recognize and prevent bullying, abuse, harassment and discrimination.

In Canada, four university scholarships in mechanical or electrical engineering are awarded annually to First Nations students, or to a person of colour, or to a female student for a total of \$15,000.

We offer webinars on healthy living and organize sports challenges. We provide training and personalized financial management assistance and make available a comprehensive assistance program for employees and their families.

EUROPE

LAPORTE Euro is committed to hiring and keeping people with disabilities in the workforce through a variety of initiatives including awareness-raising campaigns, the participation of people with disabilities in our branches (Duoday, “1 jour, 1 métier en action”), and a more inclusive approach to our recruitment policy.

In 2022, IPSB was awarded the Ecovadis certification; a program that has as one of its objectives the respect for the integrity of people and non-discrimination both internally and externally with our clients.

OUR COMMITMENTS

- Provide a harassment-free environment and promote a culture of caring for all.
- Roll out a training program on the diversity and inclusion management practice.
- Sanction all forms of discrimination.
- Have a structured approach to health and wellness that provides our employees and their families with physical, mental, and financial health resources to ensure their overall well-being.



HEALTH AND SAFETY

Management will provide leadership, direction and resources to maintain a comprehensive program of prevention, accident analysis and ongoing dialogue with managers and employees on improving working conditions.

GLOBALLY

More than forty health and safety memos are distributed annually. Available Monday morning, the subject of the memo is addressed by managers and employees at various team meetings. These memos have three objectives: to inform, communicate about incidents and provide preventative measures, and to congratulate good deeds and initiatives.

NORTH AMERICA

Canada:

Canada is leading the way in health and safety initiatives for LAPORTE by developing a robust OHS Program that includes policies, procedures and training. These initiatives are coordinated via monthly meetings with Safety Champions and JOSH Committee Representatives from all Canadian offices.

All newly hired employees receive mandatory Health and Safety training, and all employees are required to update their training, knowledge, and awareness of safety programs every three years.

An electronic version of the Job Hazard Analysis Form (JHA) has been created to identify and minimize the risks our employees face when visiting the workplace. Although the program is new, we have a participation rate of over 90%.

United States:

A mandatory training program tailored to our industry is in place. Modules can be repeated to ensure comprehension and are frequently updated.

EUROPE

IPSB:

IPSB has set up an occupational health and safety management system recognized by the MASE standard, which enables all employees to contribute to enhancing the company's culture, and that of its partners.

As part of a continuous improvement system, IPSB measures the effectiveness of its system with indicators through a piloting committee called COPI.

Employees receive health and safety awareness training when they join the company and continuous improvement is provided through OSH-related topics during inter-office meetings.

LAPORTE Euro:

LAPORTE Euro is developing an occupational health and safety program to establish an OHS culture among its employees and partners to improve working conditions.

To measure the effectiveness of the program, monitoring indicators have been implemented. Upon hiring and throughout the year, the employees receive health and safety training.

OUR COMMITMENTS

- Health and safety culture across the entire company.
- Maintain a safe work environment and ensure the physical and mental integrity of all stakeholders in our operations.
- Support our employees by regularly training them on the risks and dangers related to their work.



ETHICS

Fulfill our mission by having a deep reflection on the activities we conduct. Shareholders and employees must loyally promote our values, always act in the best interest of the company, and ensure at all times that their conduct does not tarnish LAPORTE's image (Article 17.4 of the Shareholders' Agreement). Each jurisdiction where LAPORTE conducts business is governed by an applicable Code of Ethics, a legislated Engineering Act, and various bylaws and guidelines. These documents and practices are the minimum standards that all shareholders, managers, and employees must adhere to, and LAPORTE commits to going above and beyond these standards to ensure our integrity and ethics are not compromised.

GLOBALLY

- A code of ethics and professional conduct has been distributed to all employees, and includes, but is not limited to:
 - Act in professional engineering matters for LAPORTE as a faithful agent or trustee.
 - Disclosing any circumstance that creates or might appear to create a conflict of interest.
 - Avoid relationships and activities that hurt, or appear to hurt, the ability to make objective and fair decisions.
 - Maintain confidentiality of client information and related project documents.
 - Refraining from accepting gifts that are directly or indirectly connected with the performance of their responsibilities or position at LAPORTE.
 - Guidelines for the use of computer services.
 - Promoting the values of respect, diversity, integrity, dignity, and honesty.

OUR COMMITMENTS

- Display leadership and professionalism in all areas of work.
- Strive for excellence by maintaining our knowledge and expertise as up to date as possible.
- Work with integrity, honesty, trust and accountability within applicable standards, guidelines, and codes of ethics as issued by governments and professional associations.
- Make a difference in the work environment by applying sustainable engineering, administrative, and procurement practices.
- To maintain a fun and flexible work environment that invites and maintains an equitable, diverse, and inclusive atmosphere for everyone regardless of their position within or outside LAPORTE.
- And to prioritize actions and decisions that strengthen teams, promote teamwork, and put the needs of LAPORTE ahead of personal goals.