

LAPORTE

> **CORPORATE
SOCIAL
RESPONSIBILITY
REPORT**

2023-24

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It is only the beginning!

LAPORTE Celebrates its 25th Anniversary

Founded in February 1999, Laporte Experts Conseils Inc. (LAPORTE) is an engineering company that specializes in the design of pharmaceutical, agrifood, industrial biotech, and industrial plants.

LAPORTE has 450 employees working in 25 offices across Canada, the United States, France, Switzerland, and Belgium. Today, we operate in over a hundred plants, serving clients of all sizes, from start-ups to large multinational corporations. Given the environmental challenges and the global population growth, our services have the strategic objective of enabling the industrial implementation of innovative solutions.

Our geographical diversification allows us to serve European companies investing in North America (and vice versa) thanks to our expertise of European and American regulatory and technological requirements. The multiplication of our offices enables us to offer our customers a local service for their continuous improvement projects.

Our success is built on our loyal employees and our strong corporate culture, which promotes entrepreneurship, respect for diversity and teamwork. Our succession is firmly in place, and we look towards the next 25 years with optimism.

Daniel Laporte

President & Founder

Company Introduction

Overview of LAPORTE



Mission

Provide high-value engineering services to pharmaceutical, agrifood, industrial biotech and industrial plants.



1999

Foundation of LAPORTE Experts Conseils Inc.; opening of the Montreal office offering process and mechanical engineering services.

2000-2009

LAPORTE becomes the primary project consultant for many agrifood and pharmaceutical companies. Opened 3 offices in Canada. Started working in Europe.

2010-2019

LAPORTE opens more offices in Europe, Canada, and the United States. Approximately 200 employees worldwide.

2024

Celebrating 25 years of engineering services in Canada, United States, France, Belgium, and Switzerland.

01. Where we started

LAPORTE started as a one-person operation in 1999 by Daniel Laporte. With a strong background in the pharmaceutical industry, Daniel Laporte has worked tirelessly to elevate LAPORTE's image and expertise worldwide, working with hundreds of world-class clients.

02. Where we are going

In the context of climate change, population growth and aging, our services are increasingly strategic from a global perspective. We're just beginning our story!

Office Locations

Active in 5 Countries



With 25 office locations through North American and Europe, we have expert teams available to meet all our clients' expectations and needs.



01

International Customers

Some of our clients operate across multiple countries and jurisdictions. With support from LAPORTE employees in those areas, we can meet our clients wherever they are.

02

National Customers

Many of our clients operate multiple facilities across various provincial and state lines. LAPORTE has been with them every step as they themselves grow and expand.

Office Growth

Founded in the dynamic city of Montreal in 1999, LAPORTE has evolved into a globally recognized entity with a formidable presence spanning 25 strategic office locations in Canada, United States, France, Belgium and Switzerland. With a dedicated team of over 450 skilled professionals, we have consistently demonstrated unwavering commitment to excellence, innovation, and client satisfaction, solidifying our position as a leader in our industry.

Our Services and Expertise



Our Services

- Conceptual Design
- Preliminary Design
- Detailed Design
- Construction Support
- Start-up and Qualification
- Support

Our Expertise

With a diverse range of 16 expertise areas like Process, HVAC, Electrical, Mechanical, Automation, Validation, and more, LAPORTE offers comprehensive solutions to address any clients' needs effectively.

A Selection of our Markets



Agrifood

Food, Beverage, Pet Food, Dairy Products, Alternative Proteins, Ingredients



Pharma

Sterile and Non-Sterile Products, Active Pharmaceutical Products, Medical Devices



Industrial Biotech

Biofuels, Cellulose Derivatives, Sustainable Agriculture



Industrial

High-Tech, Batteries and Fuel Cells, Consumer Products, Logistics & Distribution

Our Commitments

Governance



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 Commitments



Governance



Environment



Diversity & Inclusion



Health & Safety



Ethics



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 over 450 valuable employees as of January 1, 2024. This organizational structure promotes cooperation rather than competition between the different entities, avoids unnecessary internal politics, and fosters entrepreneurial decision-making within the company.

Our Framework

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 40 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 subsidiaries 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 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.



Environment Values

Our environmental vision has three components:

- Reducing the environmental footprint of our clients' facilities;
- Reducing our carbon emissions;
- Providing training to our employees on environmental issues and sustainability practices that maximize design components.

We are proud to have Green Committees that manage these aspects to keep the environment at the heart of our decisions.



IMAGE BY VEGPRO INTERNATIONAL

Project Sustainability Training & Development

An ecodesign guideline is currently being drafted and tested by LAPORTE's employee-driven green committees. This guideline will present the strategy that LAPORTE proposes to apply during its engineering work, with the aim of integrating environmental practices throughout the project.

Our ecodesign guideline pillars:

- Integrate sustainable practices into designs.
- Assemble technical knowledge from our senior SME (subject-matter experts).
- Evaluate the environmental action levers of projects and their potential impacts, to help convince customers to adopt the more sustainable approach.
- Tools to help calculate the environmental impact of ecodesign topics.
- Commit to keeping the guide up to date as technologies and best practices in sustainable design evolve over time

Green Case Study

Kraft Heinz Ketchup



Repatriation of Production to Canada

The production of Canadian Ketchup was done in a Kraft Heinz plant in the USA, one which was already at full capacity. To free up production volume at the plant, Kraft Heinz repatriated the Canadian-market portion of Ketchup to another plant.

Project Objective

Create a new packaging line dedicated to all size of ketchup bottles in the Kraft Heinz Canada plant.

Problems Encountered

- Adding shrink wrap to packaging required a heating tunnel.
- Impossible to add the required equipment in the available space.
- Single-use plastics are mostly landfilled (in North America). In many places in the world, there is no infrastructure to manage this waste. It is estimated that at least 14 million tonnes of plastic per year end up in the oceans (IUCN, 2021).

Solutions Implemented

- A lifecycle analysis of the packaging.
- Collaboration with the packaging R&D team of Kraft Heinz, the cardboard supplier, and the manufacturer of the new case packer.
- New cardboard packaging solution implemented.

Conclusions

- Reduced the amount of plastic to landfill.
- Saved energy by removing the shrink wrap plastic.
- Cardboard is more recyclable in North America than shrink wrap plastic.



Green Case Study **Confidential Client**



Project Goal

\$24.90/Mwh

Conceptual design to reduce the use of Liquid Natural Gas (LNG) associated costs and emissions by installing ammonia heat pumps.

Reducing LNG with Ammonia Heat Pumps

Canadian-based client with multiple sustainability goals to achieve:

- Reduce reliance on LNG; burning gas has high carbon footprint.
- Electrical supply from renewable resources (hydro and others)
- Reduce overall carbon footprint.

Waste Reduction Opportunities

Reduction of LNG

- Isolated location of facility means LNG must be brought in via boat and then trucked to the site (high carbon footprint).

Energy Consumption

- Using LNG for steam boiler with efficiency of +/-80%.
- At peak loads, rejecting 14.3 MW of heat to the environment that could be recovered.

Why use Ammonia Heat Pumps?

- Already using ammonia at the plant (11 MW); ammonia as refrigerant in heat pumps is efficient.
- There is an adequate existing electrical substation that allows for increase electrical consumption needed to operate the heat pumps.
- Constant cooling load required year-round; proposed system using 7.9 MW of heat that would otherwise be going to waste.

Conclusions

- Reduction of LNG use reducing direct emissions.
- Reduction in LNG transportation reducing indirect emissions.
- Reduce energy costs; cut costs in half to \$24.90/Mwh



Reducing LAPORTE's Emissions



Carbon Footprint for 2023

8,4

tCO₂e per employee
(tons of CO₂ equivalent)

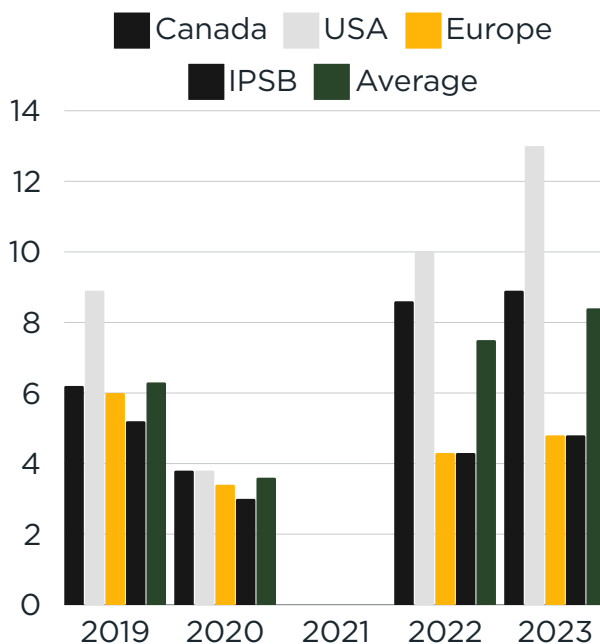
Operate Sustainably

LAPORTE aims to reduce its GHG emissions in concrete ways. We are aiming for a reduction in our emissions, with real actions: reduced energy use for IT services, better transport choices for our employees and more efficient office buildings.

Emissions Update

As demonstrated in the graph, our 2023 emissions were higher than in previous years, particularly in North America. This can be largely attributed to transport emissions and costs associated with moving to newer, more sustainable offices that will help us reduce emissions over time. In the coming years, we should see significant reductions in emissions from our Canadian offices.

Business development in the US also plays a part in high emissions as the huge area to cover forces the use of air transit to work with clients in new markets and states.



Spotlight

Carbon Compensation



France - Ferme de l'Evidence

257 tCO₂e off-set

We have decided to act locally in Europe at Ferme de l'Evidence, to help a local French farmer to reduce the farm's emissions through regenerative farming techniques.



Brazil - Ceara Renewable Energy Project

1,891 tCO₂e off-set

Based in a region prone to poverty and severe drought, this initiative tackles one of the major causes of deforestation in Brazil: illegal logging. The Ceará project has switched the fuel used by five ceramic factories from illegal firewood to agricultural and industrial residues. This project alleviates deforestation, avoids greenhouse gas emissions and promotes a more sustainable supply chain.

Kenya - Biogas Program

1,299 tCO₂e off-set

Domestic biodigesters provide a way for households with livestock to reduce their dependence on polluting firewood and expensive fossil fuels. Cooking on biogas is fast and smokeless, improving family health, especially among women and children. Leftover slurry from the biogas process is an excellent organic fertilizer that improves crop yields - and having more vegetables to sell, provides families with extra income.



Company Value Environment - IT Systems



Cloud-based Servers

70%

Cloud servers are about 50% more energy-efficient than traditional ones, leading to significant cost savings for LAPORTE. The company expects to reduce server-related energy expenses by 70% through this important project.

Cybersecurity & Infrastructure

LAPORTE is strategically shifting its server infrastructure, prioritizing efficiency and scalability. Embracing cloud-based data centers enhances redundancy and bolsters disaster recovery plans.

In 2023, LAPORTE managed 13 physical servers across various offices. By the end of 2024, we will transition to a hybrid model: 2 cloud servers and 3 physical ones.

Operate Sustainably IT Hardware

One of our priorities is the safeguarding of our information and our client's information. We adhere to comprehensive, industry-proven standards and cutting-edge technologies to shield and fortify the data within our environment. We implement robust measures, including those mandated by relevant privacy laws, to prevent any unauthorized disclosure.

Additionally, LAPORTE has implemented policies and processes to efficiently manage the acquisition and replacement of IT equipment. Our approach revolves around maximizing the utility of each piece of equipment throughout its lifecycle; for example, computers are reused until they reach their end-of-life stage.

Rather than discarding outdated hardware, LAPORTE takes a more strategic route. These retired computers find new purpose within the organization by being sold to colleagues who can still benefit from their functionality. The funds generated from these internal sales are donated to charitable organizations. The equipment that can't be sold is recycled by a trusted partner. By doing so, LAPORTE contributes to positive change in the community, leaving a lasting impact.

Spotlight

Training our Employees on Environmental Issues



Case Study Presentations

Our engineering teams are constantly working on eco-responsible solutions for our projects. We organize a variety of case study presentations to share success stories:

- Waste reduction
- Water reduction and reuse
- Energy reduction
- Greenhouse gas reduction
- LEED buildings



Green Team Building & Events

Locally, our teams are committed to make a difference for the environment. Teambuilding activities and events are organized periodically to keep the environment at the forefront of our daily activities:

- Waste collecting
- Water and energy reduction challenges
- Informational green memos to educate and inspire
- Eco-friendly choices for our events
- Clothing swap
- DIY and bulk food purchasing workshops
- Book and product exchange zone in offices
- Donations, and more!





Spotlight Focus on our Employees



Shareholders

40 Shareholders across 5 countries. With the average age of the shareholders being 42 years of age, integrating younger shareholders ensures the company's sustainability and longevity.

450+ Employees

Strong growth and recruitment across all our office locations.

- LAPORTE EURO: 80
- IPSB: 40
- LCC (USA): 58
- LEC (CANADA): 280

01. Benefits - North America

- RRSP matching (Canada).
- 401K matching (USA).
- Health benefits program offering greater flexibility and access for all family dynamics, adaptable by region.
- Telemedicine.
- Employee Assistance Program.
- Recruitment and Hiring referral bonuses.
- One-week paid time off during the end of year holiday .
- Professional membership dues and fees reimbursement.

02. Benefits - Europe

- Profit-sharing agreement with employer matching contribution.
- Company health insurance, with the company paying 60% of the total cost of premiums.
- CESU vouchers, vacation vouchers and holiday gift vouchers for children (IPSB).
- CESU vouchers or bonuses (LEuro).
- Vacation allowances.
- Co-optation bonuses.
- Reduced working hours.

03. Perks

- Opportunities to work from home.
- Compensatory PTO for hours worked above 40 per week (USA).
- Contribution to the cost of soft mobility (bicycle, scooter, etc., for LEuro) and public transport passes.
- Educational (all LAPORTE) and sport (Europe) subscription reimbursement.
- Health & Safety training.
- Social activities and Team building activities/retreats.
- In-house language classes (Canada).
- Partnerships with various corporate entities for discounts on travel and lifestyle.
- Sabbatical leave.
- International mobility.
- Branded merchandise.



People Dynamics

At Laporte, we believe that diversity and inclusion are key to cultivating a dynamic and innovative workplace. We celebrate diversity in all its forms, including gender, race, ethnicity, age, sexual orientation, disability, and more, understanding that these differences enhance our creativity, collaboration, and excellence.

By embracing diversity and inclusion, we not only cultivate a workplace culture that values every individual but also promotes:

- Enhancing creativity and innovation: generating a wider range of ideas and leading to more creative solutions and innovative approaches.
- Refining the employee engagement: leading to higher job satisfaction and increased employee engagement and retention.
- Better Decision-Making: multiple viewpoints resulting in a more thorough discussions and better-informed decisions.
- Better Conflict Resolution: by having an exposure to different perspectives and experiences.
- Better Risk Management: Experienced and diverse backgrounds bring a historical insight and balance the risk tolerance.

In accordance with French Law no. 2018-771 of September 5, 2018, known as the "Loi avenir professionnel", LAPORTE EURO has calculated its professional equality index between women and men. For the year 2023, LAPORTE EURO's index is 93 points out of 100.

The four indicators selected by the Government to build the Professional Equality between women and men index are:

- Salary gap
- Individual rate of increase differential
- Increase after maternity leave
- Representation of women among the 10 highest earners



Gender Breakdown

33% of our workforce identify as women, while 67% identify as men.



Average Age

A company with a great generational diversity: the average age is 38.



Ethnicity

More than 50 different ethnicities represented in our offices worldwide.

Company Value Scholarship & Community

Community Involvement

We firmly believe that our commitment to community and social activities is not just a responsibility but a fundamental part of our identity. By actively engaging in local initiatives and supporting social causes, we strive to make a positive impact that extends beyond our business operations. This commitment enhances our corporate culture, fosters employee pride, and strengthens our connections with the community. It also reflects our dedication to sustainability and ethical practices, ensuring that we contribute to the well-being and development of the society we serve. Our efforts in community involvement are a testament to our belief that business success and social responsibility go hand in hand.



Scholarships

Begun in 2021, LAPORTE sponsors four scholarships at institutions across Canada for students that identify as Indigenous, Metis, First Nations, Female, or a Person of Colour:

- University of British Columbia
 - \$5,000 entrance bursary in mechanical or electrical engineering.
- University of Calgary
 - \$2,500 entrance bursary in mechanical or electrical engineering.
- La Fondation de l'Ordre des Ingénieurs du Québec
 - \$3,000 scholarship.
- University of Toronto
 - An endowed award (available in 2026/27), entrance bursary in mechanical or electrical engineering.



FOIQ

2023 Scholarship awarded: to an Electrical & Automation Engineering Student.



UBC

2022 Winter Academic Session: awarded to an Electrical Engineering Student.



UCalgary

2022-23 Academic Year: awarded to a Mechanical Engineering Student.



Respect in the Workplace

We started 2023 with all the Canadian employees finishing the Respect in the Workplace certification program. This program is a step forward to preventing workplace violence and harassment in the workplace and at client sites/facilities.

Safety Memo Program

In 2023, we released 38 safety memos, 28 of which were brand new topics, and 10 reused from previous years.

We designed and implemented a procedure on how to write safety memos that ensures consistency, conformity, and standardization across all of LAPORTE's global offices, and another document on how to prevent plagiarizing.

Additionally, to ensure ongoing longevity of the safety memo program, we streamlined the submission process by assigning each of the Canadian discipline teams a minimum number of memos to collaboratively research, and write, and mandatory submission deadlines.

Hands-On Training

AED Training

We rolled out an AED (automated external defibrillator) program across all offices in Canada with the purchase of the Philips Heart start FRx AED; one unit per office. Mandatory training for all safety committee members and all certified first aid attendants; optional training for all other employees.

Safety First!

Accident Free

We are extremely proud to say that Laporte had a relatively safe year with only a few incidents: 9 near misses, 2 first aid incidents and 1 medical aid incident reported.



Health & Safety - Canada

Safety Management

LAPORTE Canada has gone digital for many aspects of the safety program by introducing a digital safety management app from Vancouver-based, SALUS Technologies Inc.



Going Digital

SALUS App Rollout

The app integrates with LAPORTE's version of the Job Hazard Analysis (JHA) document and employee cellphones by allowing employees to sign the JHA on the app rather than using other versions of the JHA (PDF or physical copies). This has greatly improved compliance for filling out JHA's as it also allows for multiple employees to sign one JHA without the need to fill out and submit numerous forms when conducting site visits.

What's on the horizon

We will be expanding other app interfaces to allow for more robust safety program items such as accessing all of LAPORTE's health and safety policies and procedures, the ability to report near miss incidents or first aid incidents, and many other initiatives still under development. The app meets LAPORTE's mandate for training employees as it allows employees to read and sign all health and safety documents, policies, and procedures directly on their cellphone, and for the safety department to track in real time via the dashboard compliance with signing.

Spotlight

HAZOP Studies



Commitment to Health & Safety

LAPORTE's health and safety team continues to be involved in more projects across Canada, bringing greater levels of professionalism and expertise to the services available to our clients. With continued hands-on training and development, LAPORTE will soon become a leader in risk analysis and HAZOP.

McMaster Cell Therapy Facility

This HAZOP was performed to identify and analyze failure hazards and operability problems related to upstream and downstream equipment of viral vector process, process gas supply and distribution piping, waste treatment system, solvent storage and usage, liquid nitrogen supply and distribution piping, and TCU piping (temperature control unit). Major risks for personnel, environment, and the facility were identified, and safeguards and recommendations were recorded to mitigate major risks.

Deodorizer HAZOP

This HAZOP in Lethbridge, AB, was focused on assessing the risk for the design and construction of new canola oil deodorizing process system that was to be added to the clients existing system to help reduce the overall odour of their product. The recommendations that resulted from this study were accepted by the client and implemented on the project.

H2S Removal Process

Another HAZOP in Lethbridge, AB, focused on assessing the risk for the new design and construction of a H2S (hydrogen sulfide) removal system to reduce H2S emissions in canola oil extraction and stripping process. The recommendations that resulted from this study were accepted by the client and implemented on the project.



Training For Everyone

Laporte Consultants Corp., focused on educating employees about a vast array of topics relating to health and safety. As is customary, we met OSHA's (Occupational Health & Safety Administration) requirements for training through monthly online courses provided by Lancaster Safety. These courses included topics such as Asbestos Awareness, Office Safety, Fire Prevention & Response, and Fall Prevention.

Online with Respect and KnowBe4

Our employees also completed two other online training programs this past year: Respect in the Workplace and KnowBe4 cybersecurity training. Respect in the Workplace focuses on giving employees the tools they need to recognize the signs of workplace harassment and bullying and how to prevent them. KnowBe4 training taught our employees what warning signs to look for when receiving an email that could possibly be a phishing scam. It also provided instruction on what someone should do if they believe they have fallen into a trap set by a scammer.

Hands On Training

December 2023 the King of Prussia office hosted a Lancaster Safety representative to teach courses on Arc Flash, Electricity, Lock Out / Tag Out, Combustible Dust, and Machine Guarding. It was a very informative afternoon for all the attending employees.

Policy Development

Looking forward to 2024, we are developing a new, all-encompassing Health & Safety policy to further ensure that our employees remain safe on the job.



Health & Safety - Europe

Zero Lost-Time Accidents!

Since 2021, we have recorded zero lost-time accidents. To help us achieve this, we have introduced the use of Task Safety Analysis for every intervention or visit to an industrial site.

Our primary objective is to ensure that every employee goes home from work unscathed, both physically and mentally. This is achieved by constantly raising awareness of the risks faced in our business through talks, presentations, and the sharing of feedback at weekly inter-office meetings.

The training program has also been strengthened with the inclusion of safety training for people working on industrial sites (N1/N2 clearance).

For 2024, we will implement safety “golden rules” based on proposals and suggestions from employees, and we will continue working to improve the mental health of our employees.



Medals, Awards, and Standards

EcoVadis Medals and Badges recognize eligible companies that have completed the EcoVadis assessment process and demonstrated a relatively strong management system that addresses sustainability criteria.



LAPORTE
EURO



IPSB



IPSB now has a health and safety reference system certified to the MASE standard. Maintaining this certification was made possible by the strong involvement of all our employees.

Well-Being in the Workplace

A committee has been set up to address issues of mental health (psycho-social risks) and well-being in the workplace, and the first concrete actions have been implemented. New employee orientation has also been improved with the creation of an introductory onboarding program.

Industrial Risk Management

We have an experienced team to support project managers on the following safety issues:

- Improving the safety of our processes by carrying out HAZOP analyses starting at the design phase.
- Help in defining zones presenting a potential explosive atmosphere risk.
- Determination of effect zones for accident scenarios (heat flux, overpressure effects, etc.).



Code of Ethics and Professional Conduct

Fulfill our mission by having a deep reflection on the activities we conduct. Shareholders and employees must loyally promote our values, always act with integrity and equity, in the best interest of the company, and ensure at all times that their conduct does not tarnish LAPORTE's image. Each jurisdiction where LAPORTE conducts business is governed by an applicable Code of Ethics, a legislated Engineering Act, and various bylaws and guidelines.



01. Company Roadmap

Foster a culture of transparency by openly communicating about ethical issues, decisions, and performance.

Encourage open dialogue and provide channels for employees to report concerns or seek guidance without fear of retaliation.

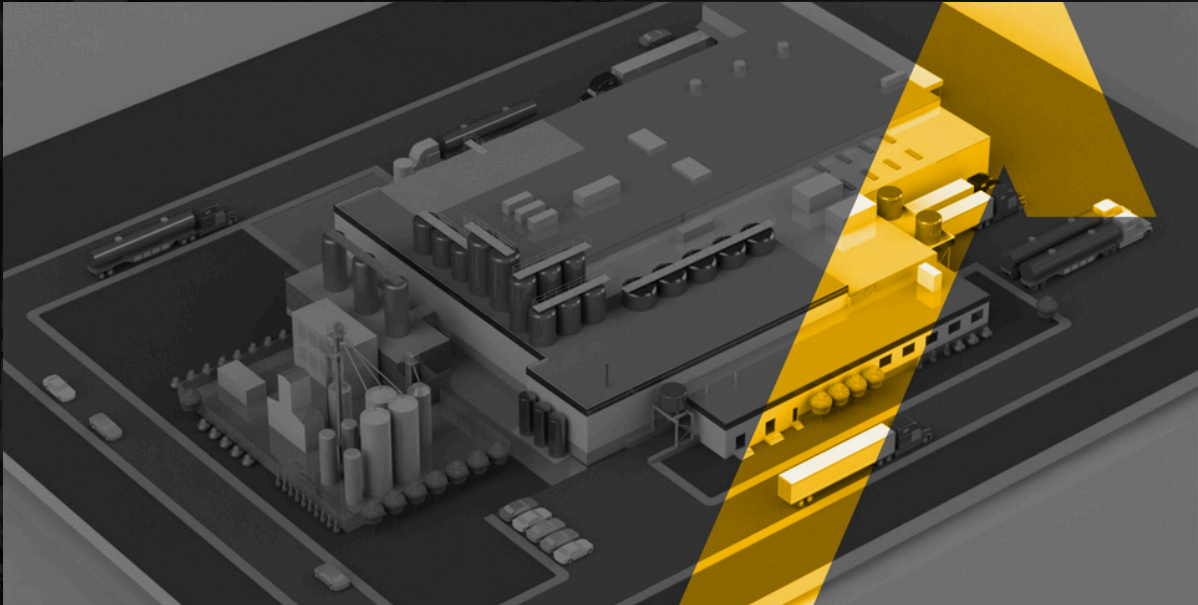
02. People Evaluation

Recognize and reward individuals and teams that demonstrate exemplary ethical behavior and contribute to the company's ethical objectives.



Our Pillars

- Display leadership and professionalism in all areas of work.
- Strive for excellence by maintaining up to date knowledge and expertise.
- Work with integrity, honesty, trust and accountability within applicable standards, guidelines, and codes of ethics.
- Make a difference in the work environment by applying sustainable and ethical engineering, administrative, and procurement practices.
- 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.
- Prioritize actions and decisions that strengthen teams, promote teamwork, and put the needs of LAPORTE ahead of personal goals.



Contact one of our 25 offices



laporteconsultants.com