

DILLON
CONSULTING



Fiscal Year 2023

(March 2022-
February 2023)

SUSTAINABILITY MATTERS

REPORT ON CORPORATE SOCIAL RESPONSIBILITY



Fiscal Year 2023

(March 2022-
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REPORT ON CORPORATE SOCIAL RESPONSIBILITY

SUSTAINABILITY MATTERS HIGHLIGHTS



OUR RESPONSIBILITY TO THE ENVIRONMENT



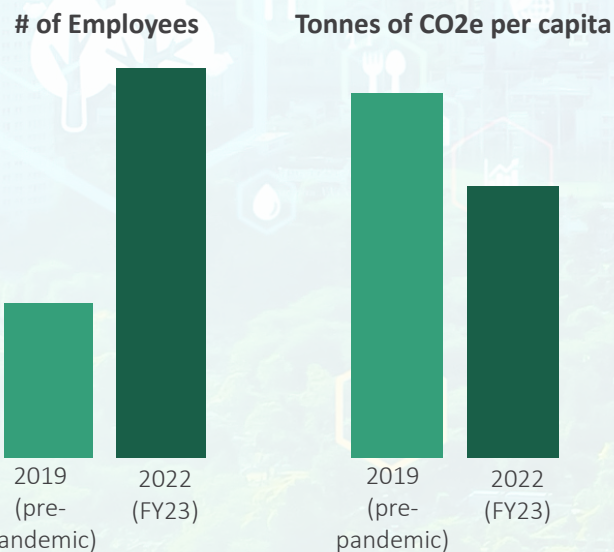
Carbon neutral since 2008.

Our current goal is to maintain net zero carbon status without reliance on purchasing carbon offset credits.

51% of spending, company-wide, is on green products. Paper use in offices continues to decline.



GHG emissions estimated to be **2.48 tonnes** of carbon dioxide equivalent per capita (CO2e). Compared to 2019 (pre-pandemic) this represents a 31% decrease, even with a 28% increase in number of employees (temporary and permanent).



OUR RESPONSIBILITY TO SOCIETY



1.98+ million

ECIF spending since 2009. All of our 1000+ employees have access to this fund.



\$168,000+

We contributed >2% of pre-tax profits in FY23.



\$345,000 +

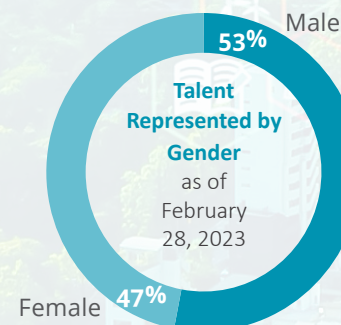
Scholarship funding since 2005



As a signatory to the United Nations Global Compact in 2019, the Million Meals campaign has been our way of contributing to Sustainable Development Goal (SDG) 2- Zero Hunger. As of March 2022, we met our original goal to provide the equivalent of one million meals throughout the communities where we live and work. We are continuing this important work through FY24.



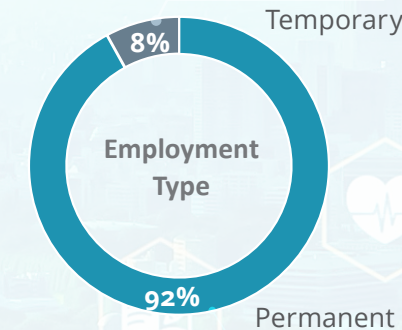
Dillon has seen an increase in representation of each of the four designated groups since 2019.



At the end of FY23, women made up 47% of Dillon's workforce, including 12% in Managerial roles and 63% in Professional roles.

OUR RESPONSIBILITY TO OUR WORKPLACES

From FY22 to FY23, we had a 4.2% growth rate (198 additional regular staff in FY23). Dillon provides a balance of new employment opportunities and stable careers with 43% of our workforce having been with Dillon for more than five years of their career.



\$250,000+

Wellness Fund spending in FY23, with over 1500 total reimbursements to employees. Over the years, we have seen an increase in the number of employees using this fund.

Inclusiveness and Diversity (I&D) Fundamentals training and Unconscious Bias training is mandatory for all staff.

We know representation is important but it is not the end goal. With our focus on I&D and supported by our three-year I&D plan,

OUR RESPONSIBILITY TO THE MARKETPLACE

Highlighted Projects



Atlantic First Nations Water Authority, Asset Management Plans: Honoured with three awards, Dillon developed individual asset management plans for water and wastewater systems in 17 participating First Nations communities in Atlantic Canada (NB, NS, PEI).



City of Kingston, Climate Change Wildlife Mitigation Project: Honoured with an award from ACEC-ON, Dillon completed a technical assessment and engineering design of turtle crossing mitigation measures near Collins Creek in Kingston, ON.



Transport Canada, Traffic Separation Scheme Feasibility Study: This feasibility study explored potential mitigation actions that could reduce or minimize the impact of vessels on at-risk whales (e.g., Southern Resident Killer Whale).



Clear Seas Centre for Responsible Marine Shipping, Climate Change Vulnerability of the Canadian Marine Environment: This project included an analysis of the future needs of the Canadian maritime environment with respect to climate change adaptation.



Canada Plastics Pact, Circular Plastics Packaging Reuse & Refill NPPES: This project included developing a domestic ecosystem scan of reuse/refill activity and potential for plastic packaging to support a Reuse/Refill Working Group focusing on taking effective action on plastic packaging.

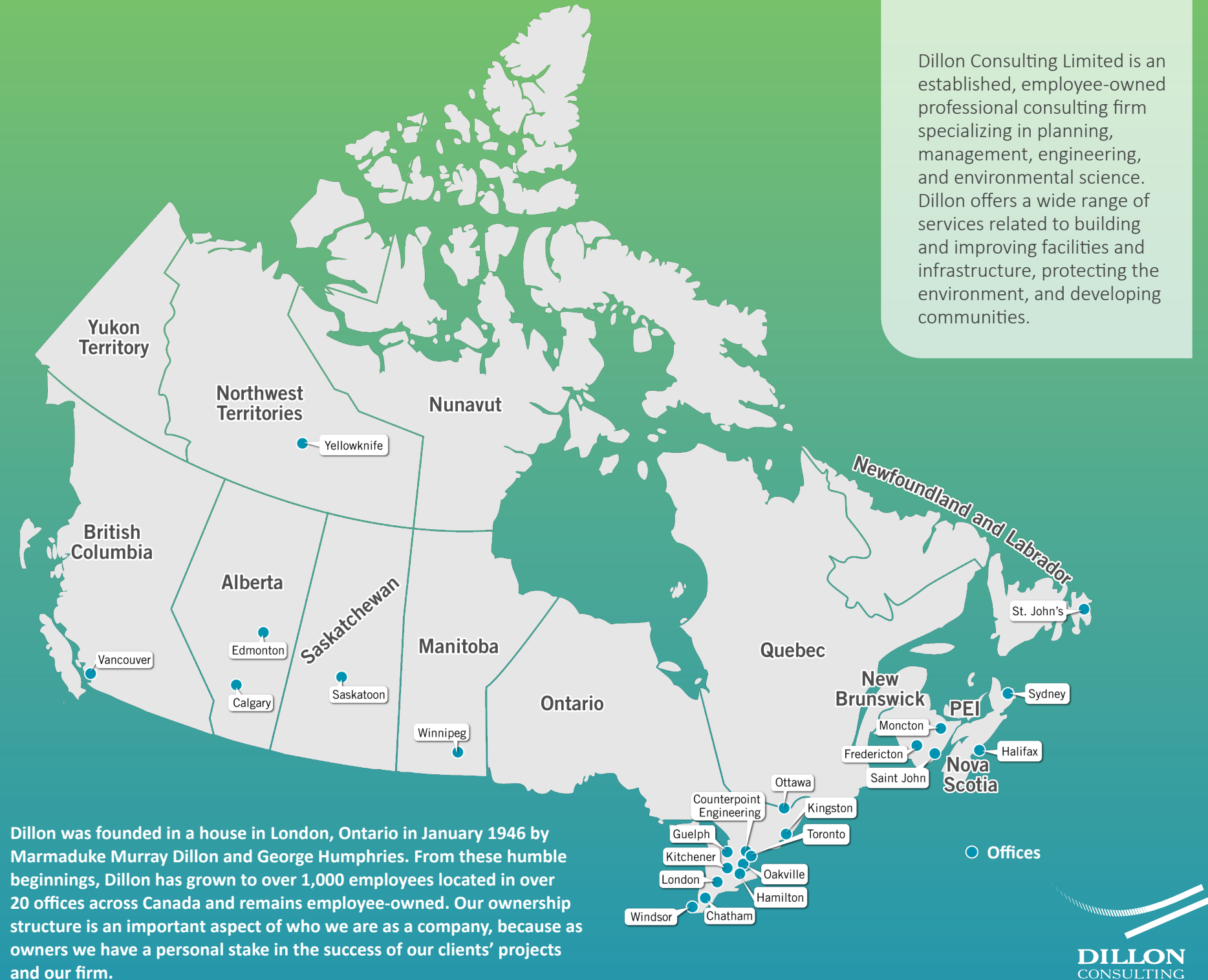


City of Toronto, Official Plan Engagement: This project included completing the engagement process for the city's official plan, engaging with residents from across the city to lend their voice to the project and helping reflect the diversity of the city.

“ At Dillon, we understand that genuine corporate social responsibility goes beyond financial considerations. It embodies our vision to excel in socially inclusive and environmentally conscious practices, influencing our strategy for sustainable growth. Our operations, both in the services we provide and the way we conduct business, are deeply rooted in these principles. - Sean Hanlon, CEO



Dillon Consulting Limited is an established, employee-owned professional consulting firm specializing in planning, management, engineering, and environmental science. Dillon offers a wide range of services related to building and improving facilities and infrastructure, protecting the environment, and developing communities.



Dillon was founded in a house in London, Ontario in January 1946 by Marmaduke Murray Dillon and George Humphries. From these humble beginnings, Dillon has grown to over 1,000 employees located in over 20 offices across Canada and remains employee-owned. Our ownership structure is an important aspect of who we are as a company, because as owners we have a personal stake in the success of our clients' projects and our firm.

DILLON
CONSULTING

Letter from the CEO

Sean Hanlon
Chief Executive Officer



“ Dear Stakeholders,

I am thrilled to introduce the Fiscal Year 2023 (FY23) edition of our annual Sustainability Matters report, a testament to Dillon's steadfast commitment to corporate sustainability practices. As we reflect on our sustainability journey, I am proud to share that we have refreshed and established new commitments that continue to shape our path forward.

Our Corporate Sustainability Strategy, originally conceived to enhance employee well-being and minimize environmental impact, has evolved into a guiding Corporate Sustainability Policy that governs our business operations. This policy underscores our dedication to continuously advancing sustainability standards.

At Dillon, we understand that genuine corporate social responsibility goes beyond financial considerations. It embodies our vision to excel in socially inclusive and environmentally conscious practices, influencing our strategy for sustainable growth. Our operations, both in the services we provide and the way we conduct business, are deeply rooted in these principles.

In this report, you will discover our refreshed and newly established commitments, underpinning our dedication to making a positive impact on society, our planet, and our valued employees. We have embraced these commitments to ensure we continue to lead in the realm of corporate sustainability.

Thank you for joining us on this transformative path. We invite you to explore the following pages for a deeper dive into our sustainability efforts and achievements in FY23. Together, we are building a more sustainable and responsible future. ”

Sincerely yours,

Sean Hanlon
Chief Executive Officer

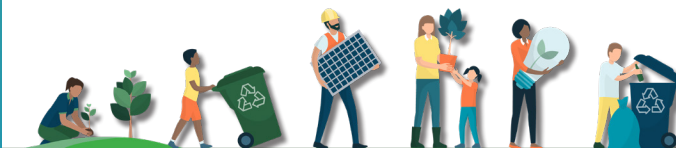


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1 Introduction

Dillon is committed to continue pushing the boundaries of corporate sustainability practices. Over 10 years ago, Dillon created a Corporate Sustainability Strategy that incorporates aspects of improving the social well-being of our employees, and minimizing our environmental impact. The vision of our sustainability strategy was to achieve and remain carbon neutral and donate over \$1M to external community and environmental organizations. This strategy has since evolved into a Corporate Sustainability Policy that guides our business operations.

This Fiscal Year 2023 (FY23) edition of our annual **Sustainability Matters** report chronicles our corporate social responsibility efforts at Dillon. 18 years ago, we initiated environmental stewardship activities, recognizing our responsibility to preserve the environment for future generations. For over a decade, we have been implementing an ever-evolving Corporate Sustainability Strategy that has introduced a number of important initiatives in the areas of **Environment, Social & Community, and Employee Well-Being.**

GRI This report includes references to Global Reporting Initiative (GRI) standards where applicable in our reporting. For example: **[GRI 405-2] Ratio of basic salary and remuneration of women to men.**

FY23 represents the recovery year/stage of the COVID-19 global pandemic.

Our Corporate Social Responsibility (CSR) Vision as described in our CSR policy:

“Our vision is to be recognized by Dillon’s key stakeholders – our owners, employees, clients, and the public – for our pursuit of excellence in corporate social responsibility. Our commitment to conduct our operations in an environmentally conscious and socially inclusive fashion influences our strategy for sustainable growth. We recognize the important role that our operations play in achieving a culture of sustainability – both in the services we provide and the way we do business – and have developed this policy accordingly.”

The four pillars of Corporate Social Responsibility



2 UNGC 10 Principles

The Ten Principles of the UN Global Compact

The Ten Principles of the United Nations Global Compact are derived from: the Universal Declaration of Human Rights, the International Labour Organization’s Declaration on Fundamental Principles and Rights at Work, the Rio Declaration on Environment and Development, and the United Nations Convention Against Corruption.

HUMAN RIGHTS

Principle 1: Businesses should support and respect the protection of internationally proclaimed human rights; and

Principle 2: Make sure that they are not complicit in human rights abuses

LABOUR

Principle 3: Businesses should uphold the freedom of association and the effective recognition of the right to collective bargaining;

Principle 4: The elimination of all forms of forced and compulsory labour;

Principle 5: The effective abolition of child labour; and

Principle 6: The elimination of discrimination in respect of employment and occupation.

ENVIRONMENT

Principle 7: Businesses should support a precautionary approach to environmental challenges;

Principle 8: Undertake initiatives to promote greater environmental responsibility; and

Principle 9: Encourage the development and diffusion of environmentally friendly technologies.

ANTI-CORRUPTION

Principle 10: Businesses should work against corruption in all its forms, including extortion and bribery.

Communication on Progress

Period covered by the Communication on Progress (COP) | From: **March 1, 2022** to: **February 28, 2023**

1. STATEMENT OF CONTINUED SUPPORT BY THE CHIEF EXECUTIVE OFFICER

To our stakeholders:

I am pleased to confirm that Dillon Consulting Limited reaffirms its support of the Ten Principles of the United Nations Global Compact in the areas of Human Rights, Labour, Environment and Anti-Corruption.

In this annual Communication on Progress, we describe our actions to continually improve the integration of the Global Compact and its principles into our business strategy, culture and daily operations. We also commit to sharing this information with our stakeholders using our primary channels of communication.

Sincerely yours,



Sean Hanlon
Chief Executive Officer

2. DESCRIPTION OF ACTIONS

Human Rights

The following actions have been taken by Dillon Consulting in the area of human rights:

- Dillon ensures that staff are provided safe, suitable and sanitary work facilities;
- Dillon has created a company-wide program to encourage, promote and monitor workplace inclusion and diversity including employee training;
- We work to protect workers from workplace harassment, including physical, verbal, sexual or psychological harassment, abuse or threats;
- Our company takes measures to eliminate ingredients, designs, defects or side-effects that could harm or threaten human life and health during the creation of our work spaces and usage or disposal of products;
- We encourage freedom of speech and expression;
- Dillon allows staff the freedom to practice their religion (or not practice any) through work installations as possible and practical;
- We encourage equal work opportunities; and
- We strive to work with organizations that are aligned with our values of inclusivity and diversity. We have and are willing to not work with clients who are not aligned with our values.

Labour

The following actions have been taken by Dillon Consulting in the area of labour:

- Our company does not participate in any form of forced or bonded labour;
- We comply with and exceed minimum wage standards; and
- Dillon makes employment-related decisions that are based on relevant and objective criteria.

Anti-Corruption

The following actions have been taken by Dillon Consulting to fight corruption:

- Dillon assesses the risk of corruption when doing business and has made a conscious choice to select partnerships where ethical standards are upheld and maintained; and
- Our contracts with clients often discuss “anti-corruption” and/or “ethical Behaviour”.



2. DESCRIPTION OF ACTIONS (CONTINUED)

Environment

The following actions have been taken by Dillon Consulting in the area of environment:

- Dillon monitors our environmental footprint on a yearly basis as a reflection of our office locations and the interaction of our staff with those locations. We do this to reduce our environmental impacts and encourage staff and company leadership to continue to reduce our impact to our surrounding communities (i.e. waste management, reducing CO2 emissions, and other initiatives). We also do this by bringing awareness to sustainability, publishing yearly report that provides an update on our progress on identified goals, and through the establishment of a corporate sustainability team supported by our CEO;
- Dillon has identified measures to prevent and address incidents affecting the environment and human health; and
- Dillon supports on-going monitoring of our environmental performance through everyday activities at all office locations through material purchases and daily activities required to support our business. This keeps us informed, helps us to maintain our performance to continuously reduce our footprint, and alerts us to future issues that may arise.

3. MEASUREMENT OF OUTCOMES

Relevant Indicator	Measure of Outcomes
Talent represented by gender	As of February 28, 2023, 53% male and 47% female.
Fair labour practices	In compliance with the requirements of the Federal Contractors Program (FCP) under the Employment Equity Act and demonstrated that we have compensation practices that provide for pay equity and are in compliance with the Pay Equity Act of Ontario.
Equity in salary and compensation	The results of a FY22 review indicate that there is statistically no significant difference in performance bonus allocation between our male and female partners and associates or between staff.
Percentage of spending on green products company-wide	51.0% of products that are green, where green products exist.
Tonnes of CO2e per employee (2,770 tonnes, 1,119 employees)	2.48 tonnes CO2e per employee FY23 represents the recovery year/stage of the COVID-19 global pandemic. Compared to 2019 (pre-pandemic), per capita emissions decreased by 31% with a 28% increase in number of employees.

3 Governance

Dillon Board of Directors

Our Board, presented here as it was structured in FY23, is responsible for providing oversight of our firm, while our Management, led by our CEO and President, is responsible for carrying out the operations of the firm.

In 2018, the Board, through the recommendation of the Corporate Governance Committee adopted the inclusion of CSR into its oversight and requested that a CSR Policy be prepared. In 2019, we introduced our Dillon Corporate Social Responsibility Policy to represent the next step in our sustainability contributions towards becoming a more socially responsible corporate citizen.

In FY23, the Board participated in a workshop, focusing on the results of a materiality assessment (*see page 21 for more details*) and the sharing of collective thoughts on what commitments Dillon should make to develop an ESG strategy. The workshop was also focused on increasing awareness of the Board of ESG factors and to develop a deeper understanding of how ESG can be integrated into business strategy.



Jane Allen
Board Chair



Rory Baksh



Tanya Cross



Sarah Devereaux



Brian Feuer



Flavio Forest



Shayne Giles



Sean Hanlon



Indra Kalinovich



Kimberly Marshall



Jennifer Petruniak



Larry Taylor



Corporate Sustainability Team (CST)

First established in 2008, the Corporate Sustainability Team consists of individuals in different technical areas and offices with a goal of operationalizing sustainability within Dillon. When the CST was formed, the sustainability-related services offered at Dillon were small. Dillon now has a large team with individuals whose entire role is focused on sustainability-related project work. The CST works with members of the Executive Team to develop and shape internal policy to contribute to a healthier planet and a healthier workplace.

The Corporate Sustainability Team is committed to continuing to support the growth and development of sustainability initiatives within Dillon. This past year we solicited external advice on how our program can evolve. The urgency and need for bold and strong commitments to environmental sustainability have become increasingly salient.



Joe Muraca
Project Partner
(Toronto)



Andy Blackmer
(Halifax)



Darla Campbell
(Oakville)



Crystal Cooper
(Winnipeg)



Rebecca Eldridge
(Fredericton)



Mychal-Ann Hayhoe
(Windsor)



Kartik Moorthy
(Ottawa)



Kristine Wilkinson
(Windsor)



Saranya Jeyalakshmi
Sustainability Report
Coordinator FY23

Local Sustainability Champions

- Nolan Gusikoski (Calgary)
- Chelsea Field (Chatham)
- Josh Goselwitz (Edmonton)
- Tyler Crocker (Fredericton)
- Nicole Beuglet (Guelph)
- Amy Jackson (Halifax)
- Harley Westman (Kitchener)
- Louai Zeenni (London)
- Lauren South (Oakville)
- Connor Edington (Ottawa)
- Jennifer Brown (Saint John)
- Lauren Thomson (Saskatoon)
- Danielle Bowering, Michelle Roche (St. John's)
- Breagh Thomas (Sydney)
- Elizabeth Penner (Vancouver)
- Kristine Wilkinson, Joshua Babcock (Windsor)
- Tyler Epp (Winnipeg)
- Erin Nelson, Dustin Martin (Yellowknife)

4 Our Responsibility to the Environment

- We strive for a more sustainable operation by improving our environmental footprint through limiting our waste generation, greenhouse gas emissions, and energy use.
- We encourage our stakeholders to be conscious of their environmental impact in both their personal and professional environments.

Goals

- Facilitate the continuation of three stream waste management systems (waste disposal, recycling and organics collection) established in the majority of our offices. Continue efforts to implement organics collection in all offices.
- Maintain carbon neutrality with a reduction in carbon emissions, as measured by our environmental footprint rating.

In order to achieve these goals, Dillon has implemented strategies that cover the environmental areas most closely linked to our business operations:

- Energy & Emissions
- Green Procurement
- Solid Waste

We track our progress in these areas annually or biennially and have taken steps to reduce our environmental footprint. Dillon generally does not aim for drastic change, but rather incremental change that can be improved upon every year and results in continual improvement. We build upon our current reality, always seeking the next step forward.

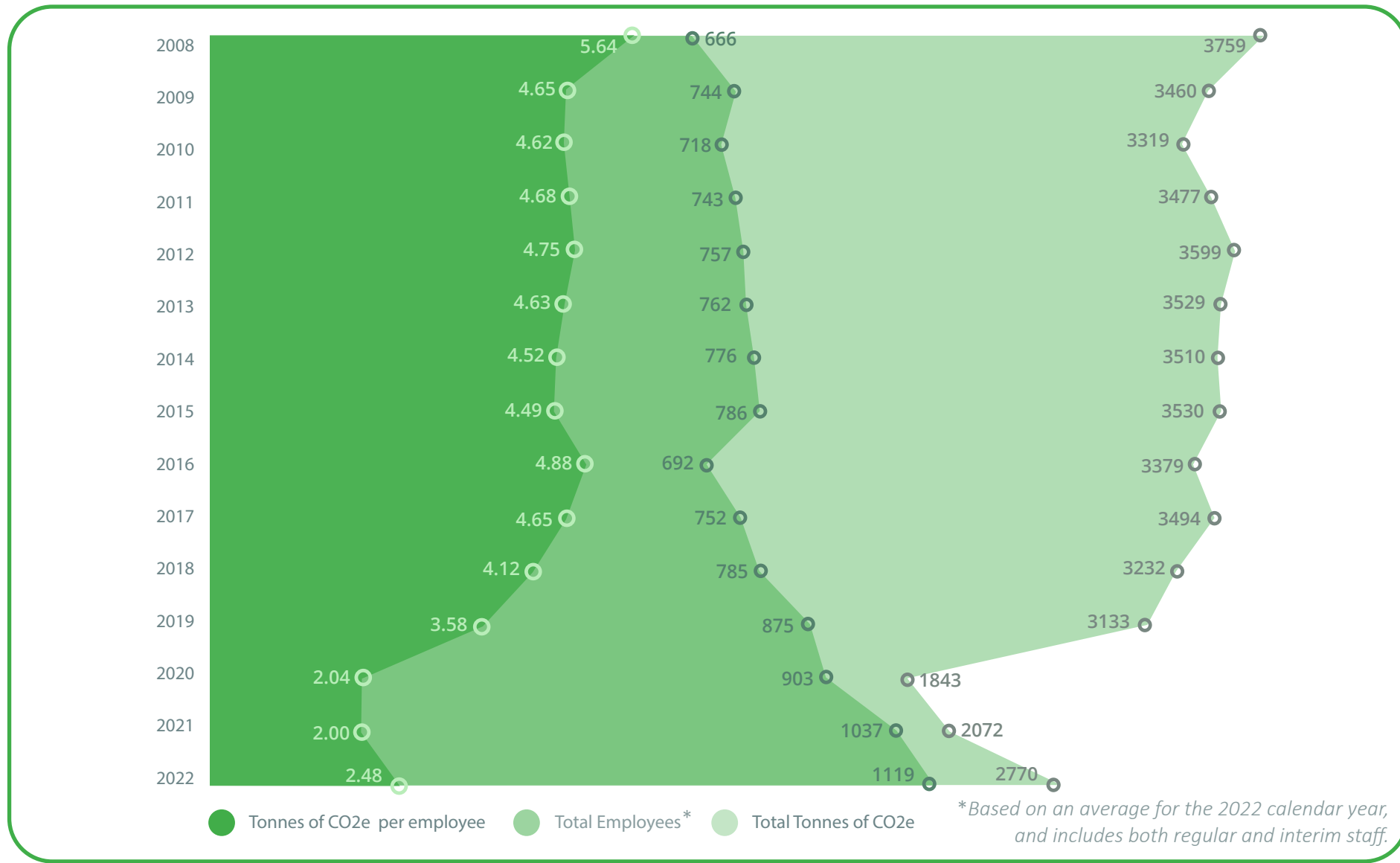
Energy & Emissions

Dillon is proud to be carbon neutral since 2008. Carbon credits were purchased from projects to offset all our emissions from 2008 through to 2022. We actively seek carbon credit partnerships with our clients who undertake qualifying projects to reduce their emissions and have them independently verified.

Dillon has a goal to achieve net-zero carbon status without reliance on purchasing carbon offset credits. Dillon plans to meet this target through impactful change to operations and employee behaviour.

A company-wide comprehensive greenhouse gas emissions assessment is conducted for every calendar year by Dillon professionals who provide the same service to our clients.





In 2022, Dillon’s greenhouse gas emissions were estimated to be 2.48 tonnes of carbon dioxide equivalent per capita (CO2e). This represents a 31% decrease from 2019 (pre-pandemic). In 2022, the post pandemic scenario of increased employees commuting to the office compared to 2021, our per capita emissions increased by 24%. The total number of employees in 2022 increased to 1,119, compared to 2019 (pre-pandemic) and 2020 (the beginning of the COVID-19 global pandemic).

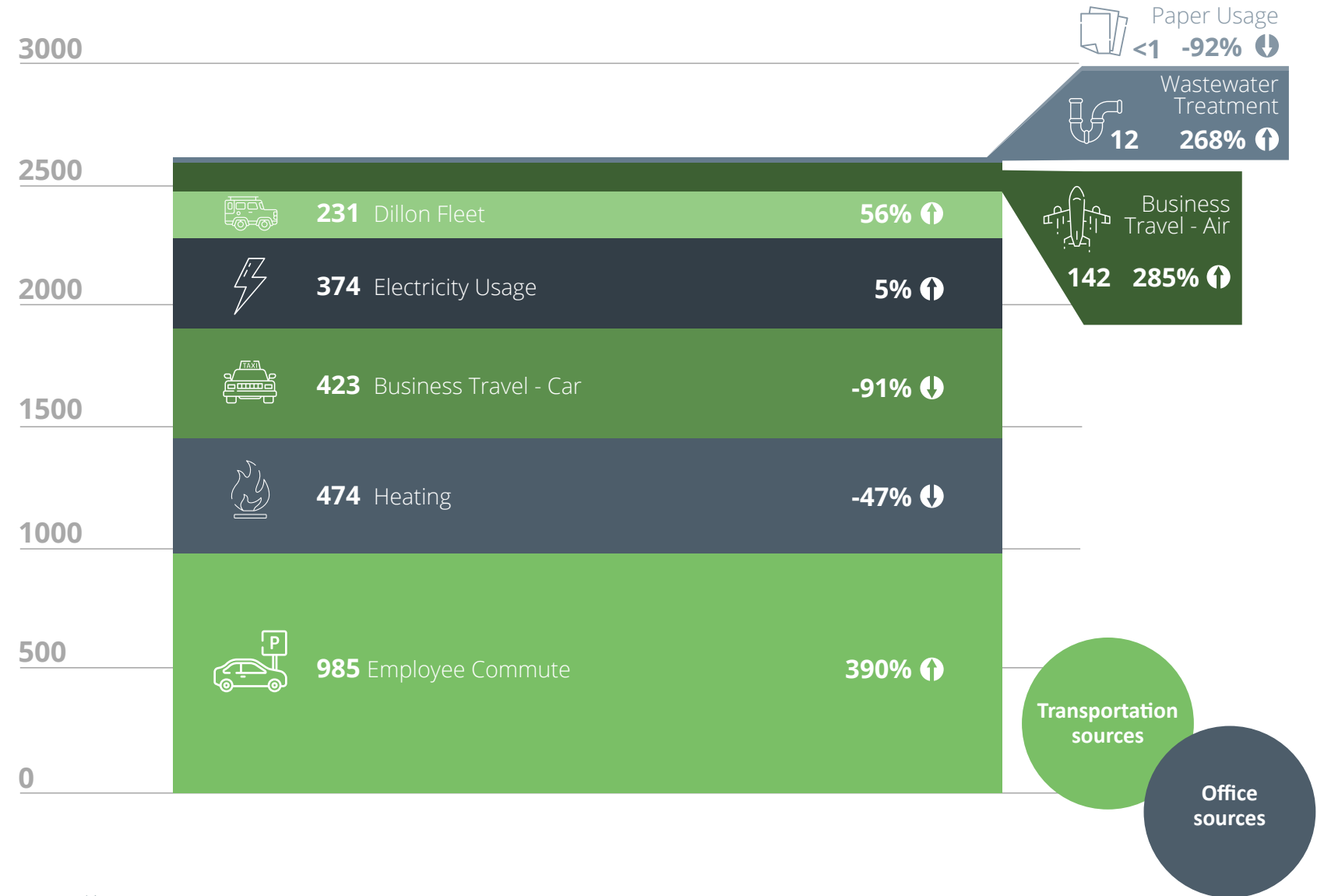


Carbon Assessment Lead

Robert Morgan, Guelph

FY23 Results

Carbon Footprint (tonnes)



Green Procurement

Dillon tracks office products purchased, increasing the list of green products available wherever possible. We use environmentally friendly products, such as paper and pens manufactured from post-consumer recycled materials. We purchase items in bulk and use energy efficient appliances and equipment, when possible.

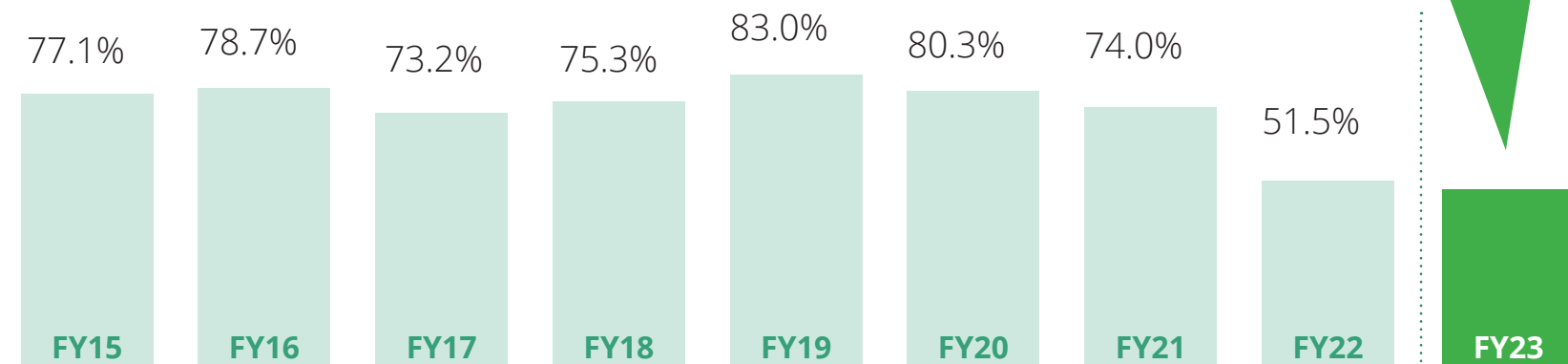
Paper use in Dillon offices decreased in FY22 due to the global COVID-19 global pandemic and employees transitioning to work at home. In FY23, paper usage remained similar. Once a more stable level of office activity is reached Dillon plans on completing additional paper use surveys.

Goal

Purchase only environmentally friendly office products when available.



Percentage of spending on green products company-wide



In FY23, post pandemic, the workplace culture continued to be similar to the COVID-19 global pandemic period, with mostly hybrid and remote work arrangements. This continued to affect paper usage. There were no significant changes in green products usage compared to FY22.

5 Our Responsibility to Society

- We strengthen our communities by donating a percentage of our earnings to environmental and charitable organizations.
- We engage with the communities around us and strengthen our shared values by contributing our time and ingenuity.

In 2009, Dillon established the Environment & Community Investment Fund (ECIF) as a means to support efforts to improve our environmental, social, and community impact. The goal of this initiative is to contribute a percentage of Dillon's pre-tax profits to various community and environmental organizations.

- In FY23, Dillon contributed approximately 2.45% of our pre-tax profits (approximately \$168,303) to support the ECIF.
- \$1.98 Million + ECIF Spending since 2009
- 1000+ Employees with access to the ECIF fund

\$1.98 Million +

ECIF Spending since 2009
1000+ Employees with access to the ECIF fund



Scholarships

Since 2005, we have contributed more than \$365,000 in scholarships across Canada.



Scholarships awarded in FY23:

- Canadian Institute of Planners (CIP) - \$5,000 (Awarded to: Maya Molander)
- Canadian Water Resources Association (CWRA) - \$5,000 (Awarded to: Sasha Ruzzante)
- Canadian Memorial Engineering Foundation (CEMF) - \$5000 (Awarded to: Stephanie Quon)
- Solid Waste Association of North America (SWANA) - \$5,000 (Awarded to: Tinuke Chineme)
- Ann Mooney Bridger Award - \$500



The Million Meals Campaign



In FY23, Dillon renewed the Million Meals campaign as the Million Meals and Counting campaign. As a signatory to the United Nations Global Compact in 2019, the Million Meals campaign has been our way of contributing to Sustainable Development Goal (SDG) 2- Zero Hunger.

The campaign takes a three prong approach to tackling hunger. We are committed to tackling food insecurity through local initiatives such as volunteering and food donations, financial donations, and finally through pro bono skilled work projects.

As of March 2022, Dillon was able to meet the goal of generating 1 million meals for hungry Canadians. Since then we have expanded our impact tracking metrics to include the positive impact the work has on Dillon team members as they have the opportunity to support their local communities through pro bono work, as well as work in new areas that expands their knowledge base.

In FY23, we continued our work locally with local food drives and volunteering, and nationally with two Cornerstone projects.



The following are from two Dillon team members involved in our Cornerstone Project for Agape Table, describing the value of this work to them as well as their community:

“This cornerstone project allowed staff to utilize their technical skills to give back to their community, which is a source of pride to our office. The project received support from all the partners in the Winnipeg office, the sustainability team, and the CEO. Dillon’s commitment to this project and other similar ones makes me proud to be part of this team.” - Saher Ghanem, Project Manager

“Having the opportunity to use the technical knowledge and skills I have developed over my career toward the development of a new facility that will provide food for hundreds of people in need brings me an extreme sense of fulfillment. I feel very fortunate that Dillon facilitates these opportunities and prioritizes community involvement.” - Steven Goldstine, Civil Lead

Environment & Community Investment Fund (ECIF) Stories



Edmonton Earth Day Cleanup

Our Edmonton office celebrated Earth Day by organizing a clean up event! They walked the Summerside Trail to the wetland and picked up litter along the way.



Winnipeg CURE Foundation Fundraiser

Our Winnipeg office hosted a fundraiser for the CURE Foundation, where raffle tickets were purchased for three various prizes of yard games. A mystery prize was gifted as well containing local, environmental, and homemade gifts. Those invited were also encouraged to wear denim to receive extra prize tickets. In total, \$900 was raised for the CURE Foundation.



Vancouver Empty Box Challenge

Our Vancouver office participated in the Empty Box Challenge and Vancouver Airport in an effort to support displaced Ukrainian refugees. Dillon donated five boxes of essential items that were handed out to refugee families arriving with little to no personal belongings to help provide comfort and welcome as they settled into BC.



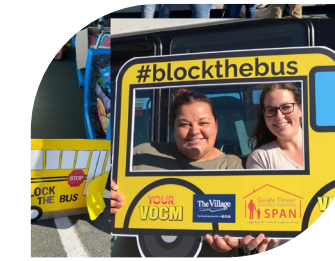
London and Chatham Dillon Highway Rollers

Our Dillon Highway Rollers recently completed the two day MS Bike Ride from Grand Bend to London and back for a total distance of 150 km. The highway rollers are made up of staff from our London and Chatham office staff (along with some family and friends) and have participated in this event for over 12 years! The team was excited to be back together and in person for the first time since the beginning of the pandemic, raising over \$12,000 for Multiple Sclerosis Research!



St John's Block the Bus

Our St John's office dropped off a donation to Single Parent Association of NL (SPAN) in support of their #BlocktheBus fundraiser. The fundraiser collected donations of school supplies to support over 400 children registered in the SPAN Back to School program. Our St John's staff also helped with the transportation of the donations back to the SPAN Headquarters.



Halifax 'Adopt-a-Highway'

As part of the NS Adopt a Highway program, our Halifax office got together to pick up and sort garbage along Chain Lake Drive.



6 Our Responsibility to our Workplaces

Culture & Values

Dillon's culture is expressed as everyday behaviors that align with our core values of Achievement, Reliability, Continuous Development, Courage, Creativity, and Inclusiveness. By understanding clearly how sustainability as a concept is manifested within Dillon's culture we must look at sustainability through the lens of each of our core values. While the following are concepts, the true power of sustainability culture at Dillon is exemplified in our decisions and behaviors each and every day.



ACHIEVEMENT

Dillon's dedication to **Achievement** complements our sustainability vision by setting ambitious goals and striving to make a positive impact on both current and future generations. By setting and reaching milestones related to environmental conservation, social responsibility, and economic stability, Dillon demonstrates a commitment to leaving a lasting legacy of positive change.



CONTINUOUS DEVELOPMENT

Embracing **Continuous Development** aligns with our vision of sustainability by fostering ongoing education training and self improvement. Dillon's expectation of ongoing

development of skills to adapt and evolve in response to changing environmental, social, and economic circumstances ensures that it remains viable and effective as our staff work toward meeting the needs of both the present and the future.



COURAGE

Demonstrating **Courage** in sustainability involves making bold decisions and taking actions that may/should challenge the status quo. By tackling complex issues like climate change, resource

scarcity, energy transition, and social inequality, Dillon shows the bravery needed to address long-term challenges, even when they require difficult choices.



CREATIVITY

Creativity is instrumental in finding inventive solutions to sustainability challenges. Encouraging creative thinking within Dillon can lead to the development of novel environmentally conscious technologies, innovative (and potentially disruptive) business models, and out-of-the-box approaches that contribute to the well-being of both current and future generations.



INCLUSIVENESS

Inclusiveness is fundamental to sustainability, ensuring that many voices are heard and considered in decision-making processes. By fostering an inclusive environment within Dillon, we create space for diverse

perspectives that contribute to more holistic and effective solutions. This practice of inclusiveness extends to ensuring that the benefits of sustainability are accessible to everyone, regardless of background or circumstance.



RELIABILITY

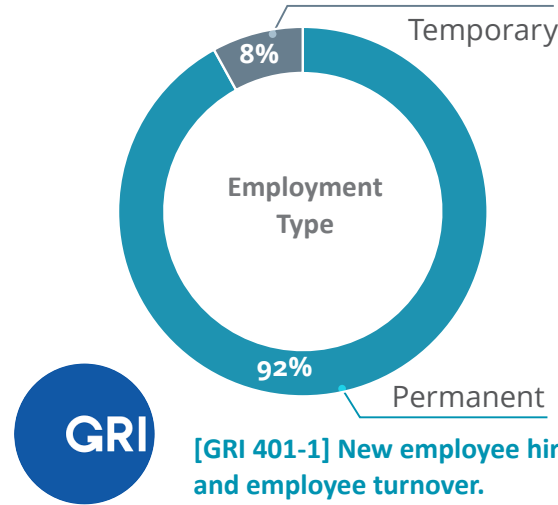
Reliability is essential in sustainability efforts. By consistently delivering on our commitments to sustainable practices, Dillon builds trust among stakeholders. This reliability extends to ensuring

that the benefits our company generates today will endure for future generations, reinforcing the idea that the balance between present and future needs is unwavering.

By integrating these principles into Dillon's sustainability vision, we create a complete framework that not only strives to strike a balance between today and tomorrow but also embodies a deep commitment to achieving positive, reliable, continuously improving, courageous, creative, and inclusive outcomes for the benefit of all generations.

Employment Growth

From FY22 to FY23, we had a 4.2% growth rate (198 additional regular staff in FY23). Dillon provides a balance of new employment opportunities and stable careers with 43.2% of our workforce having been with Dillon for more than five years of their career. This past year Dillon has experienced a total turnover (regular and interim, voluntary, involuntary and retirement) of 15.7%.



Learning and Development

At Dillon, we empower passionate people to create better solutions within a collaborative, innovative, and caring environment. Consistent with our vision to balance the possibilities of today without compromising the potential of tomorrow, our commitment to continuous development focuses on the evolution, growth and regeneration of skills, knowledge and competencies that build our workforce to be competitive now and in a sustainable future.

Development of self and others is an expectation at Dillon and we are all responsible to learn and grow individually and as part of a collective community. Our core value, continuous development, means we look for opportunities to grow at every opportunity, in our daily work, with and from each other and through formal and informal learning events.

From day one of employment, our constructive culture helps our people thrive within a supportive framework to do what they love, love what they do, bring their innovative ideas to life and truly leverage their talents. We utilize an extensive network of managers, advisors and coaches to build talent, enable internal mobility and create curated learning paths for our people to gain functional role specific, personal, strategic and leadership competencies with clear alignment to organizational outcomes.

Health and Safety

Dillon believes that employee safety, health and wellness is critical to the overall strength and performance of our business. Thus, we are committed to creating a safe and healthy work environment for our employees, our contractors, our visitors and our communities.

The Health and Safety Principles, a key component of the Dillon Quality Standard, establish the guiding foundation for all employees' actions concerning health and safety. To operationalize our commitment, we have implemented a Health and Safety Program that functions as a management system. This program is designed to

ensure the physical well-being of employees performing activities across various workplaces and legal jurisdictions. In addition to ensuring compliance with applicable laws, our objective is to continually improve health and safety performance to prevent workplace injuries and occupational illnesses.

Taking a comprehensive approach, Dillon has also developed a Healthy and Safe Workplace Philosophy that considers the broader physical, psychological and social well-being of employees. As part of our holistic approach to employee wellness, we are also integrating a dedicated Psychological Health and Safety Policy and supporting management system. This reinforces our commitment to fostering the overall well-being of our valued employees.



Innovation

To us, innovation is the execution of an idea that creates value for the business and our customers by applying novel solutions to meaningful problems. Innovation in the form of small incremental improvements made possible by our artistry, cleverness and curiosity have the greatest positive impact on the long-term success of our company, our clients and our communities.

By nurturing a culture in which our people are empowered to reflect and question current practices and seek forward looking solutions aligned with our strategic growth encourages an entrepreneurial spirit and drives our market profile.

The Dillon Innovation Award is awarded on an annual basis to staff who display the creativity and courage to challenge established thinking patterns, experiment with different solutions and stretch into the unknown.



Jeff Benjamin
Winner of the 2023 Innovation Award

Wellness Fund

Dillon's annually-renewed wellness fund is an initiative designed to help employees stay active and healthy throughout their careers. Over the years, we have seen an increase in the number of employees using the wellness fund, indicating that there is a greater awareness, in general, of employees to stay active outside of work, and leverage the opportunity to benefit from purchases in fitness equipment, personal development as well as self-help, birthing and prenatal education.

Uptake of employees using the fund:

Wellness Fund	FY2022 (Mar 2021- Feb 2022)	FY2023 (Mar 2022- Feb 2023)
Total Reimbursed Amount	\$210,186	\$251,276
Total # of Reimbursements	1203	1502

Wellness fund use by employees:

Total by Calendar Year	2021	2022
Employees	449	536
Associates	195	221
Partners	64	74
TOTAL	708	831

THRIVE

With a change in office meetings, the THRIVE team has adapted from giving presentations to now giving infographic posters on mental, physical, and nutritional health topics. The corporate team now meets twice a year with the office reps to gather feedback and ideas to incorporate new and inviting challenges each month. The offices continue to love the July Challenge which is now brought with an outside company's app to help track movement and assign points better.



Inclusiveness and Diversity



In 2018, after a decade of successes and lessons-learned by the champions of Women in Dillon (WiD) (see page 19), Dillon began to look beyond gender into the broader Inclusiveness & Diversity (I&D) space and

in 2019, Dillon undertook a Values exploration where Inclusiveness was selected as a core value by our staff, Management, and the Board. As an employee-owned business, our values are critical to who we are and how we operate. We choose to prioritize I&D in the operation of our business, in our Values, and in our Culture because it makes the business stronger and more sustainable.

I&D at Dillon is essential for us to empower passionate people to create better solutions and to stay competitive in our industry. Inclusiveness in business is about involving many different types of people and removing barriers in our workplace, so we can generate new ideas and become even more innovative in the work that we do.

We know that I&D is not one person's job, but must be widespread across the organization, and that everyone must see I&D as their responsibility. In FY20, Dillon launched its first three-year I&D Action Plan. The I&D Plan outlines how Dillon defines I&D, why it matters to our business, our I&D Goals, and the specific actions we will take to support I&D in our workplace. A refresh of this multi-year plan will take place in FY24. One component of this plan is training.

As of FY22, I&D Fundamentals and Unconscious Bias training is mandatory for all staff and is delivered as part of our onboarding process.

Another component of our I&D Plan involves incorporating I&D into our systems and monitoring our progress. In the past year, we have continued to apply an I&D lens to key elements of employee satisfaction such as overall compensation, succession planning, internal role nominations and appointments, physical office spaces, flexibility, partner and associate nominations, hiring, and retention.

Dillon is committed to the principles of employment equity, inclusiveness, and diversity within our organization. We are committed to furthering our understanding of what inclusiveness and diversity truly mean at Dillon, improving practices and procedures that may impede the achievement of employment equity, inclusiveness and diversity, ensuring our workplaces are representative of our communities, and delivering our vision of an inclusive workplace for our staff and leadership teams.

I&D FY23 Committee Members:



Erin Smith
(Associate)
I&D Committee Chair



Claudio Covelli



Muntazir Pardhan



Jennifer Petruniak



Andrea Winter



James Arnold
(SOAR)



Sim Stanton



Kate McGuinness



Representation is important but it is not the end goal. Representation does not equal inclusion or belonging. Dillon does not set diversity targets or quotas but continues to regularly monitor its diversity under the Federal Contractors Program (FCP), which is a program that ensures that contractors who do business with the Government of Canada seek to achieve and maintain a workforce that is representative of the Canadian workforce, including members of the four designated groups (women, persons with disabilities, Indigenous peoples, and members of visible minorities) under the Employment Equity Act. With our focus on I&D and supported by the three-year I&D plan, Dillon has seen an increase in representation of each of the four designated groups since 2019.

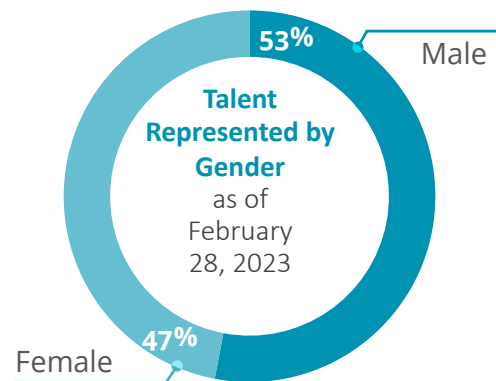
Women in Dillon (WiD)



A gender-diverse workplace is one component of Dillon's overall Inclusiveness and Diversity Plan. Women in Dillon (WiD) was founded in 2008 with a vision to foster an organization where the skills and contributions of men and

women are recognized equally and where the representation of women at Dillon is equal to the pipeline of qualified women. WiD's goal is to understand the experience of women in our business and to inform management on

this perspective; thereby influencing company choices, policies, systems, and processes as they relate to women. Through the work of WiD, Dillon has been working on improving the representation in our workforce since 2008. Ultimately, WiD strives to make Dillon the employer of choice for women in consulting and to provide exceptional value to our clients because of our diverse and inclusive workforce. Our success is measured through the health and happiness of our employees as well as our ability to attract, retain, and promote women of merit at all levels of responsibility. At the end of FY23, women made up 47% of Dillon's workforce, including 12% in Managerial roles and 63% in Professional roles.



The results of the FY23 compensation gender equity review performed by HR at key points during this year's salary review process indicate that there are **no statistically significant salary differences or pay equity concerns** between our men and women partners and associates or between staff regardless of which group (technical or other) they belong to.



[GRI 405-2] Ratio of basic salary and remuneration of women to men

Dillon is in compliance with the requirements of the Federal Contractors Program (FCP) under the Employment Equity Act and we have demonstrated that we have compensation practices that provide for pay equity and are in compliance with the Pay Equity Act of Ontario.

7 Our Responsibility in our Marketplace

- We provide services that align with this policy and apply our expertise to help our clients achieve their sustainability goals.
- We encourage the understanding of corporate social responsibility at all levels of the organization and challenge our employees to find or create sustainable solutions for our clients.

The purpose of the Asset Management Plans is to help increase financial sustainability and assist with long-term planning for individual First Nation communities by identifying asset inventory and condition, calculating capital investments required, and understanding system operation and maintenance needs. First Nation



communities have a desire to maintain or upgrade their systems to national standards, and through this project, communities are better equipped with the knowledge and tools to make informed decisions on their assets.

Direct Influence (GUDI) of surface water. Results from these assessments were integrated into first generation asset management plans for each community, and were used to establish target levels of service performance metrics.

Project Spotlight

Atlantic First Nations Water Authority Asset Management Plans

In 2022, the project won the following awards:

- **Project of the Year - Engineering Award / Environmental Award** (Atlantic Canada Water & Wastewater Association)
- **Tereo Innovator Award** (Canadian Network of Asset Managers)
- **Engineering Excellence Awards** (Association of Consulting Engineers Companies- NB)

Dillon collaborated with the **Atlantic First Nations Water Authority (AFNWA)** to develop individual Asset Management Plans for water and wastewater systems for 17 participating First Nations Communities in Atlantic Canada (NS, NB, PEI).

Our team developed individual asset management plans for water and wastewater systems in 17 participating First Nation communities in Atlantic Canada. In order to complete this, an asset management framework was created to help guide the deliverables associated with data collection, asset analysis, levels of service, risk management, and capital prioritization for the purposes of creating financial and business plans within the organization.

The project also included the completion of water and wastewater treatment assessments, which included Environmental Risk Assessments for wastewater systems and investigations to determine if wells exhibit Groundwater Under

The project faced external challenges related to the COVID-19 pandemic, as the First Nation communities were located across three provinces and 14 health regions with varying health and safety requirements. Strong project management and communication skills were required to maintain momentum throughout this important project. The deliverables produced will support the AFNWA's effort to create a new approach to managing water and wastewater infrastructure in First Nation communities in consideration of the disparity in federal investments for water and wastewater systems across Canada.



Climate Change Wildlife Mitigation Project

Dillon completed a technical assessment and engineering design of turtle crossing mitigation measures along Princess Street and Creekside Valley Road in the vicinity of Collins Creek in Kingston, Ontario, in order to support their strategic plan's commitment to protecting wetlands and the vulnerable wildlife that occupy them. This project won the Sustainable Development Impact Award from ACEC-Ontario at the 2023 Ontario Engineering Project Awards.



Climate Change Vulnerability of the Canadian Marine Environment

Clear Seas Centre for Responsible Marine Shipping (Clear Seas) retained Dillon to complete an analysis of the future needs of the Canadian maritime environment with respect to climate change adaptation. The project identified ways that climate change can impact Canadian waterways and their users, assessed how these anticipated changes will impact the delivery of maritime services by the Canadian Coast Guard and others, and explored potential strategies to manage the climate change adaptation process to inform future strategic program decisions, investments, and climate change mitigation plans for the Canadian Coast Guard, industry, and other governmental departments.



Traffic Separation Scheme Feasibility Study

Dillon undertook a feasibility study with Transport Canada to explore potential mitigation actions that can reduce or minimize the impact of vessels on at-risk whales (e.g., Southern Resident Killer Whale (SRKW)). The scope included exploring and determining potential amendments to the Traffic Separation Scheme and adopted traffic lanes in SRKW critical habitat. Culminating in the review of associated design standards and requirements for internationally adopted routing measures, and the potential to address the threat of physical and acoustic disturbance.



Circular Plastics Packaging Reuse & Refill NPPES

The Canada Plastics Pact (CPP), launched in 2021, unites businesses, governments, and non-governmental organizations in a strategy to achieve a circular plastics packaging economy. One of four targets for 2025 is to have 100% of plastic packaging designed to be reusable, recyclable or compostable. In the fall of 2022, the CPP launched a Reuse/Refill Working Group (WG) which focuses on taking effective action to realize robust reuse/refill systems for plastic packaging in Canada. Ahead of that, the CPP retained Dillon to develop a domestic ecosystem scan of reuse/refill activity and potential for plastic packaging. Dillon's contribution will help form the foundation from which to identify key opportunities and areas of consideration for the WG.



Toronto Official Plan Engagement

The City of Toronto retained Dillon to complete the engagement process for the City of Toronto's Official Plan as part of the Official Plan review process of Our Plan Toronto. Residents from across the city were invited to participate and lend their voice to the project, which will shape the city over the next 30 years. This has resulted in a plan that reflects the diversity of the city, and aims to eliminate disparities, take action against climate change, make Toronto the most inclusive city, and take steps toward reconciliation with Indigenous communities.



8 Closing

Dillon's commitments toward a sustainable future

Dillon's definition of sustainable success encompasses providing our employees with meaningful and rewarding careers in a supportive and caring work environment. This guides our business operations and growth strategies.

As part of our ongoing efforts to provide long term value to our customers, employees and other stakeholders, Dillon embarked on a journey to define sustainable success for our business, and develop clear sustainability commitments that govern the long-term sustainable growth for Dillon.

The definition of sustainable success for Dillon means:

- Achieving sustainable returns for our owners;**
- Providing our employees with meaningful and rewarding careers in a supportive and caring work environment;**
- Attracting and developing an abundance of leaders to sustain our growth;**
- Growing our portfolio of recurring revenue with clients who value what we do; and**
- Growth of the business is not dependent on hours worked, but rather on the value we provide.**

Based on this definition, Dillon embarked on revamping its sustainability journey, and has prepared six sustainability commitments that define Dillon's sustainability strategy going forward.

Materiality Assessment

Dillon conducted a materiality assessment this year, setting the stage to understanding the key topics that Dillon would need to focus on as part of its sustainability strategy. The Materiality Assessment provided an assessment of the inherent sustainability risks and opportunities associated with Dillon's business activities, including both company operations and project-related work. The assessment was based on a "weight of evidence" approach that considered:

- Best practice sustainability frameworks and standards
- Analysis of peer disclosures and client expectations, and
- Business-related information provided by Dillon, as well as interviews with key internal stakeholders

Board Workshop

Post the materiality assessment, a workshop was conducted with the Board of Directors in the month of January 2023. This workshop was focussed on explaining the outcomes of the materiality assessment, and getting the Dillon Board of Director's thoughts on what commitments the organization should make to develop its sustainability strategy. The workshop was also aimed at increasing the awareness of the Board towards sustainability factors, and to develop a deeper understanding of how sustainability can be integrated into business strategy.



Sustainability Commitments

Based on the outcomes of the workshop, six sustainability commitments were developed, approved by the board and announced to the shareholders in the Annual General Meeting in May 2023.

Commitment 1

Dillon is committed to reducing our Scope 1, Scope 2, and Scope 3 carbon emissions, and will join the Science Based Targets Initiative (SBTi) to formalize, monitor, and recognize our achievements in reducing our carbon footprint. Using 2019 as a baseline, we will decrease our carbon emissions 30% by 2030, and achieve Net Zero carbon emissions by 2050.

Commitment 2

Dillon is committed to annually growing the proportion of our revenue generated by “Sustainability Services.” We define ‘sustainability services’ as Dillon service offerings that directly support the 17 Sustainable Development Goals of the United Nations (UN), or directly influence any of the indicators identified by the UN to measure these goals.

Commitment 3

Dillon is committed to providing a healthy and safe work environment that protects and promotes the physical, psychological, and social well-being of our employees.

Commitment 4

Dillon is committed to being an inclusive business and to achieving diversity within our Ownership Group, across our Operating Units, and throughout the Dillon community. We recognize that this will be a continuous journey, and will continue to evolve as the diversity within our communities continues to evolve.

Commitment 5

Dillon is committed to economic inclusion, and will continue to offer all employees the opportunity to share in the profits generated by the firm by becoming a Dillon Owner.

Commitment 6

Dillon is committed to operating our business in a manner that is aligned with our Core Values. These values will continue to guide the projects we undertake, the communities in which we work, and the partners/suppliers that we chose to rely on.

Over the next year, Dillon will develop KPIs to report to the Board, progress on these commitments. Progress on the commitments will be reported in subsequent sustainability reports.

