Pattison Sign Group
Powering Your Brand

CORPORATE SUSTAINABILITY REPORT - 2018

PATTISON SIGN GROUP

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CONTENT OF THE REPORT

SCOPE OF THE REPORT 3
STATEMENT FROM THE ASSURANCE PROVIDER 3
MESSAGE FROM THE CHAIRMAN 4
MESSAGE FROM THE PRESIDENT 5
MESSAGE FROM THE VICE PRESIDENT 6
PATTISON SIGN GROUP 7
CORPORATE GOVERNANCE 11
AN OVERVIEW OF PATTISON SIGN GROUP 17
A RICH HISTORY IN THE SIGN INDUSTRY 19
MISSION STATEMENT AND CORE VALUES 21
OUR CUSTOMERS 23
A LEADER IN THE SIGN INDUSTRY 24
OUR JOURNEY TO SUSTAINABLE DEVELOPMENT 35
MATERIAL ASPECTS 37
COMMUNITY INVOLVEMENT 46
OUR RELATIONSHIP WITH THE ENVIRONMENT 52
PREPARING OUR CORPORATE SUSTAINABILITY REPORT 53
CONTENT INDEX 54

All questions regarding this Corporate Sustainability Report or the sustainability practices at Pattison Sign Group can be directed to:

Jacque Duguay, P.Eng.
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SCOPE OF THE REPORT

Pattison Sign Group (PSG) is proud to present its fourth Corporate Sustainability Report (CSR).

Building on the experiences of our previous Corporate Sustainability Reports, this version was prepare in accordance to the best available reporting principles and practices. A list of the material disclosures, and their locations in the report, is provided at the end. The period covered by this report corresponds to the calendar years of 2017 and 2018.

In-line with our three previous CSR, this report was prepared with the active involvement of internal PSG personnel, with the support of an external advisor.

STATEMENT FROM THE ASSURANCE PROVIDER

Dr. Yves Gagnon, Professor of Engineering and former Research Chair in Sustainable Development at the Université de Moncton, is an external Sustainable Development Advisor to Pattison Sign Group. He acted as an external assurance provider in the preparation of this report.

The external assurance provider supported Pattison Sign Group with its review of the reporting principles and practices, the selection of the material aspects for the company, and the content and materiality of the report. This review included interviews with PSG management and staff; discussion of management systems and internal processes used to generate and report on data; document review on a sample basis; site visits; and, assessment of the information provided for reliability, clarity, balance, comparability, accuracy and timeliness. Nothing has come to the attention of the external assurance provider that causes him to believe that the report's content is not, in all material respects, presented fairly in accordance with the best available reporting principles and practices.

All dollar values in this report are Canadian dollars.

MESSAGE FROM THE CHAIRMAN

> WE ARE PROUD OF THE WORK DONE BY ALL OF OUR TEAM MEMBERS AT PATTISON SIGN GROUP."
>
> **JIM PATTISON**, VANCOUVER

The World is changing. Technology developments, social attitudes, health awareness, amongst other issues, are accelerating the shifts in wants and needs of customers. Pattison Sign Group is not indifferent to this situation.

With change always comes opportunities, and we have asked our Executive Team at Pattison Sign Group to focus on a couple of important challenges that we are facing these days.

The importance of the environment. We're asking all of our people to make it a high priority, every day and every way.

The development and growth of our young women and men. Our employees are our greatest assets; we need to make sure that we are always prepared for new opportunities.

We are happy to present the fourth Corporate Sustainability Report (CSR) of our sign division. Amongst other information, this report presents some of the actions taken and some of the results achieved in addressing the above challenges.

We are proud of the work done by all of our team members at Pattison Sign Group. Your service, commitment and hard work for the company, and for our customers, are key factors in achieving our sustainability objectives.

Jim Pattison
Chief Executive Officer & Chairman
The Jim Pattison Group

MESSAGE FROM THE PRESIDENT

> THE QUALITY OF THE WORK OF OUR EMPLOYEES IS SEEN ON BUILDINGS, ALONG ROADWAYS, IN RESTAURANTS, EVERYWHERE ACROSS NORTH AMERICA."
>
> **DON BELANGER,** EDMUNDSTON

At Pattison Sign Group (PSG), we focus on innovation and sustainability in providing our customers with leading-edge products and services. Our efforts are deployed to be the leader in fulfilling our customer's brand promise.

Our employees design, engineer, test, prototype and manufacture products to exacting and rigorous standards that ensure top quality and consistent results. The quality of our employees' work is seen on buildings, along roadways, in restaurants, everywhere across North America. These branding solutions are a reflection of our corporate goal – Total Customer Satisfaction.

Our fourth Corporate Sustainability Report (CSR), covering the calendar years 2017-18, is our way of assessing our sustainability practices in our journey to sustainable development. As with our previous CSRs, our employees have been involved in its preparation, and many stories highlight some of our people who make a difference in our company and in the communities where they live.

While the majority of our results during the reporting period were positive, we did have to make the unfortunate decision of closing one of our manufacturing plants. Indeed, as presented in this report, the Penticton manufacturing facility had challenges which limited the growth potential of this operation.

Essentially, once the decision was made to close this plant, we were fully transparent and collaborated completely with the employees affected and the union representing most of the employees, and worked closely with the community, to minimize the impacts of this decision. In the end, there is a general consensus we have done everything to support our employees, and the Penticton community.

PSG continues to provide superior quality products and services to our growing and diverse customer base of internationally recognized brands. Through hard work and dedication, our employees, their teamwork and their continued focus on the highest level of professionalism and integrity, allowed us to become one of the largest full-service signage and branding companies in the world.

As an important part of our Commitment, we are dedicated in pursuing, and accelerating, our Sustainable Development initiatives, not only for the benefit of our customers, our employees and our company, but also in contributing in building stronger, more resilient communities.

Don Belanger
President
Pattison Sign Group

MESSAGE FROM THE VP CORPORATE SERVICES

> THE CULTURE OF THE COMPANY IS NOT ONLY TO DO THINGS RIGHT, BUT TO DO THE RIGHT THINGS."
>
> **JACQUE DUGUAY,** TORONTO

PSG has made the commitment to operate under the principles of sustainable development, where success indicators relate to the economic, social and environmental performances of the company.

This fourth CSR provides a fair assessment of our sustainability performance over the last reporting period, namely during the calendar years of 2017-18.

Our first three CSRs were published in accordance to the Global Reporting Initiative (GRI) Guidelines. While we still follow the guidelines of the GRI, the dissemination of this fourth CSR, published on a volunteer basis, is limited to our stakeholders, and in particular our customers. By doing so, we achieve our goal of being transparent to those who matter the most to us.

Indeed, during the reporting period, the GRI published a new set of guidelines, which include an obligation to publicly share any CSR prepared in accordance to their standards. Such obligation is more conducive to publicly traded corporations, not for private companies such as PSG. While this report was still produced by following the best available reporting principles and practices, we have made the decision to continue to limit the publication of our CSR to our stakeholders, and notably to our customers.

This CSR presents an overview of our sustainability performances, along with stories and quotes from some of our employees. Those employees highlighted in this report represent a small portion of the many employees who contribute to the success of our company.

As the leader in fulfilling our customer's brand promise, the culture of the company is not only to do things right, but to do the right things. This is achieved by remaining focused on our customers and our stakeholders, and to operate under sustainability principles. By doing so, we remain ahead of the curve in the sign and branding industry, notably in regards to the social, financial and environmental performances of the company.

As we move forward, we will continue to engage with our stakeholders, particularly our customers, to assess and adjust our priorities in regards to sustainability issues.

As a corporation, we are committed to conducting business in a sustainable manner to help ensure future generations inherit a better world.

Jacque Duguay
Vice President, Corporate Services
Pattison Sign Group

PATTISON SIGN GROUP

As one of the largest full-service signage and visual communication companies in the world, Pattison Sign Group (PSG) manages signage and branding solutions from beginning to end. With roots dating back to 1904, our vision is to be the leader in fulfilling our customers' brand. This is explained further on our Commitment Statement which is to provide our customers with innovative branding products and services of the highest quality through the experience and creativity of our people and our pledge to sustainable development.

The main activities of PSG are the design, manufacture and marketing of a complete range of signage and branding products and services. Our line of products includes illuminated and non-illuminated signs, LED illumination, LED electronic displays and communication systems, digital signage, awnings, canopies, menu boards, interior signage, LED lot-lighting, LED technology energy saving retrofits, and various on-premise branding and identification signs. In addition, our services help our customers achieve their physical branding strategies by offering design translation into cost-effective products, site development, facility branding, leasing solutions and sign maintenance.

With over 725 dedicated employees, three state-of-the-art manufacturing facilities and multiple Sales Offices, PSG meets the diverse needs of its customers' exterior and interior branding programs. PSG's employees design, engineer, test, prototype, retest and manufacture products to exacting and rigorous standards that ensure top quality and consistent results.

OUR VISION IS TO BE THE LEADER IN FULFILLING OUR CUSTOMERS' BRAND AND TO PROVIDE OUR CUSTOMERS WITH INNOVATIVE BRANDING PRODUCTS AND SERVICES OF THE HIGHEST QUALITY THROUGH THE EXPERIENCE AND CREATIVITY OF OUR PEOPLE AND OUR PLEDGE TO SUSTAINABLE DEVELOPMENT.

Whether it's an international rebranding program or a one-of-a-kind retail project, PSG offers a complete range of innovative branding solutions. Specializing in design, site development, facility branding and manufacturing, PSG also supports its customers with innovative leasing and maintenance programs; we currently have over 25,000 signs leased under rental and maintenance agreements where we service and insure the products.

Pattison Sign Group is constantly evolving to better support our customer needs. In addition to innovative exterior signage programs, PSG also offers interior decor, digital signage, LED lot-lighting and facility branding into its lineup of products and services.

Capitalizing on its robust infrastructure, which includes three (owned) manufacturing facilities and a network of strategic manufacturing and installation partners across North America, our flexible systems can shift manufacturing between plants based upon customer site location, product type, and specific customer requirements.

Our cutting-edge, web-based Project Management Portal, ePattison™, is an accessible and customizable online reporting program that allows customers and their project management teams to track jobs, manage inventories, and view photos 24/7, from anywhere in the world.

PSG is a wholly-owned division of Jim Pattison Industries Ltd, which is part of The Jim Pattison Group, a 100% privately-owned Canadian-based holding company. All financial information in this CSR only concerns Pattison Sign Group.

PSG has limited activities outside of North America, which basically consists of providing the signage needs of some of our global customers who operate in Mexico and Puerto Rico. PSG rarely actively prospects for customers outside of North America.

Our Sales Offices are strategically located to efficiently serve our customers across North America. During the reporting period, we maintained our 10 Sales and Operations Offices.

During the reporting period, we had to take the unfortunate decision of closing our Penticton manufacturing facility, with our other facilities taking on additional workloads. Our Penticton site is now a Sales and Operations Office. We also consolidated the operations of our Orillia manufacturing facility into a single, expanded building, which increased our efficiencies while contributing in creating a better work environment for our employees.

In the last CSR, we reported that the company was moving to a functional management approach, rather than a regional approach. While we have successfully made this transition, some adjustments have been made during the reporting period. The main adjustment deemed necessary was to bring back the decision making process on local business issues to the specific facilities and offices; this was achieved by naming a General Manager in all facilities, with the responsibility of making local decisions. General Managers are experienced management employees who have a good understanding and a good knowledge of the company. This change has allowed improved response times on critical matters which resulted in better service levels to our customers.

PSG strives to manufacture all the products that we sell. However, some products are simply more efficiently produced offshore. Notably, PSG has subcontractors located in China and Poland, where electronic menu boards are manufactured efficiently, and are relatively easy to ship in bulk.

During the reporting period, we have also partnered with a manufacturer in France, who fabricates and supplies the signs of a global customer. For their North American market, we are responsible for the project management leading to the installation of the products. Through a recently signed agreement, the main elements of these signs will be fabricated in our Heath Springs facility, in which only specific components fabricated in France will be integrated.

No other material changes concerning the size of the corporation, its structure and its ownership were experienced during the reporting period.

OUR SALES OFFICES ARE STRATEGICALLY LOCATED TO EFFICIENTLY SERVE OUR CUSTOMERS ACROSS NORTH AMERICA.

PATTISON SIGN GROUP FACILITIES

CANADA HEAD OFFICE
TORONTO, Ontario, Canada

US HEAD OFFICE
KNOXVILLE, Tennessee, USA

MANUFACTURING FACILITIES
EDMUNDSTON, New Brunswick, Canada
HEATH SPRINGS, South Carolina, USA
ORILLIA, Ontario, Canada

SALES AND OPERATIONS OFFICES
ANN ARBOR, Michigan, USA
BRISTOL, Connecticut, USA
CALGARY, Alberta, Canada
EDMUNDSTON, New Brunswick, Canada
KNOXVILLE, Tennessee, USA
MONTREAL, Quebec, Canada
OTTAWA, Ontario, Canada
PENTICTON, British Columbia, Canada
TORONTO, Ontario, Canada
SURREY, British Columbia, Canada

CHANGES IN OUR MANUFACTURING FACILITIES

PENTICTON

During the reporting period, we had to make the unfortunate decision of closing our Penticton manufacturing facility. This decision affected approximately 60 employees.

For many years, the Penticton manufacturing facility had difficulties achieving its financial growth goals. Situated in a region that offered challenges for the transportation of materials and our finished products, Penticton has a work force that caters to the tourism and wine making industries. Finding qualified manufacturing personnel in this region of British Columbia was a growing challenge for the company, which resulted in limited growth opportunities for this facility.

When the decision was made to close this plant, the Executive Team made the announcement, in person, to all employees in Penticton; local officials were also duly informed of this closure. The employees in the other PSG offices and facilities were also informed of the decision, along with the approach that the company adopted to minimize the impacts of this decision on the Penticton employees and the local communities.

A transition program was established, where employees were provided assistance in various forms in finding other employments, or in taking retirement incentives. While four employees remain employed with the company as of December 2018, and are working out of an office in Penticton, most other employees were offered the opportunity to work in other PSG facilities.

In the end, it has not come to our attention that former employees did not find other employments in the region. Several remained in the industrial manufacturing sector, a few are in the property management business, one employee works for the Canada Revenue Agency, while several gravitated towards hospitality and QSR. Some even pursued entrepreneurial opportunities and are doing well.

While closing a manufacturing plant is not an easy and enjoyable task, there is a general assessment, in the company and in the communities affected, that the company has professionally managed the closure of the Penticton manufacturing facility.

ORILLIA

Our Orillia manufacturing facility was in two separate buildings within a light industrial park. We also had more space than what was effectively needed.

During the reporting period, we built an extension in our main Orillia facility and we integrated all the Orillia's operations within one location. This has increased efficiencies and has improved the productivity, while not needing to constantly go from one site to the other. In this transition, we also took the opportunity to do several upgrades in our facility in Orillia. All Orillia's employees are now well integrated in one building.

CORPORATE GOVERNANCE

The Executive Team of Pattison Sign Group is structured along the functional divisions of the company, rather than by regional segmentation. Members of the Executive Team exercise their mandates and functions at a company-wide level.

FUNCTIONAL DIVISIONS OF PSG

1. SALES & MARKETING
2. OPERATIONS
3. BUSINESS DEVELOPMENT & INNOVATION
4. CORPORATE SERVICES – LEGAL, HR, RISK MANAGEMENT
5. ADMINISTRATIVE – FINANCE, ACCOUNTING, LEASING AND IT

The accountability of the company is through quarterly meetings with the participation of the Executive Team of PSG and the Corporate Management of Jim Pattison Industries Ltd. During these meetings, the Executive Team is required to report on economic, social and environmental indicators, along with specifically reporting on the Key Performance Indicators of the Sustainable Development Initiative of PSG.

The Senior Management Team is a group of Directors, all reporting to one Vice Presidents (VP's) from the Executive Team. They all operate under either a functional subject-matter led by the VP, under a more regional leadership role, or both. They are mostly long term serving employees of the company, who have progressed in their leadership abilities in different positions within the company. Occasionally, when specific expertise are required, Senior Management Team members can be hired from outside the company.

It is important to note that every General Manager brings a number of other Senior Managers and Managers into a Management Team to help with local aspects of the business.

The Executive Team and the Senior Management Team at PSG remain stable, with positions usually filled by promotions from the pool of employees.

EXECUTIVE TEAM

With Head Offices in Toronto, Canada, and Knoxville, Tennessee, for its US operations, the governance of PSG is assured by an Executive Team, composed of the following members, who are all employees of the corporation:

DON BELANGER
President
Edmundston, New Brunswick

MARCO CALABRETTA-DUVAL
Executive Vice President
& Chief Operating Officer
Toronto, Ontario

ROBERT CORSETTI
Senior Vice President
Business Development & Innovation
Toronto, Ontario

JOEL DAURITY*
Executive Vice President
& Chief Operating Officer - US
(Joined PSG in 2019)
Knoxville, Tennessee

JACQUE DUGUAY
Vice President, Corporate Services
Toronto, Ontario

NADIA PALMERINI
Senior Director, Finance and Administration
(Promoted to Vice President
& Chief Financial Officer in 2019)
Toronto, Ontario

During the reporting period, Rick Macina, a long serving executive of the company, took a well-deserved retirement. The Executive Team had planned Rick's Departure by assuring that other members of the Executive Team could assume efficiently the roles he played, notably by promoting Nadia Palmerini to the position of Senior Director, Finance and Administration. The reporting period has also seen Jon Haley, Vice President, Sales & Marketing leave the company. His responsibilities were taken over temporarily by Don Belanger.

LEADERSHIP

MARCO CALABRETTA-DUVAL
EXECUTIVE VP AND COO, TORONTO, ONTARIO

Marco Calabretta-Duval started his career in a commercially aggressive and innovative airline company, where he refined his knowledge and abilities in the financial management of corporations. In 2011, Marco entered our Senior Management Team in the position of Corporate Controller, and has since occupied other management positions with increasing responsibilities. Because of his leadership abilities, Marco has recently been appointed Executive Vice President and Chief Operating Officer, with the responsibility of overseeing the operations of the company, both in Canada and in the USA.

Amongst the innovation that he brings to his position, Marco regularly invites up to three employees for breakfast, in his office. Over an hour period, genuine connections are made to discuss the issues affecting the employees, and to create conversations regarding the future of the company.

"WE WANT OUR EMPLOYEES TO BE PROUD OF WORKING AT PATTISON SIGN GROUP."

*We are happy to report that, in 2019, Joel Daurity joined Pattison Sign Group in the position of EVP & COO of our US operations. Joel brings significant experience to our Executive Team as we strive to continue growing our USA operations.

MOVING UP

NADIA PALMERINI
SENIOR DIRECTOR, FINANCE AND ADMINISTRATION, TORONTO, ONTARIO

Our employees asked for a better gender representation on the Executive Team of the company. We have listened.

Nadia Palmerini started to work at Pattison Sign Group in 2016, in the position of Senior Director of Finance in our Toronto office. With dedication and hard work, Nadia has always shown that she can take increasingly challenging responsibilities, and deliver on them.

Nadia was promoted to the position of Senior Director, Finance and Administration, effectively taking over responsibility for the Finance, Accounting, Leasing and IT functions, becoming the first female representation in some years on the Executive Team of Pattison Sign Group. As an additional note, in 2019 Nadia was promoted to Vice President & Chief Financial Officer, a title more in line with her responsibilities on the Executive Team.

"

AS A COMPANY WHO EMBRACES SUSTAINABLE DEVELOPMENT PRINCIPLES, WE HAVE A MORAL AND SOCIAL RESPONSIBILITY, NOT ONLY TO THE ENVIRONMENT, BUT ALSO TO OUR EMPLOYEES, THEIR FAMILIES, AND THE COMMUNITIES WHERE WE ARE ESTABLISHED."

INNOVATION

ROBERT CORSETTI
SENIOR VP BUSINESS DEVELOPMENT & INNOVATION, TORONTO, ONTARIO

A long serving employee of PSG, Robert Corsetti does not hesitate to think outside the box. Under the leadership of Robert, sustainable innovation has been integrated in our business strategy.

Robert believes Innovation is about the reengineering of our business and manufacturing processes to improve quality, reduce costs, reduce the material and energy intensities, reduce waste, and, in the end, improve our efficiencies, responsiveness and competitiveness.

Through working with our customers, and coupled with our technology watch program, our dedicated personnel constantly innovate in the design, the manufacturing and the installation of our signs.

The leadership role played by Robert assures that we constantly move forward as we remain ahead of the curve in the sign industry.

"

SUSTAINABLE INNOVATION IS INTEGRATED IN OUR BUSINESS STRATEGY."

SENIOR MANAGEMENT TEAM

The Senior Management Team consists of various Directors responsible for leading key sectors and/or business units of PSG. They are each responsible for either a sub-function under a VP from the Executive Team, or have a regional leadership role, or are sometimes both. This includes delivering the required balance of operational excellence, product quality, responsiveness, customer service, and new product commercialization in a safe and collaborative working community. With a mandate of ensuring excellent customer service, the Senior Management Team is mostly structured along the four functional divisions of the company.

SALES AND MARKETING

The Sales Directors are responsible for leading Sales Teams in various parts of the North American marketplace. The objectives of the Sales and Marketing Team are to develop a world-class sales organization by fostering existing customer relationships, creating new opportunities through our value-proposition, and implementing our go-to-market strategy to ensure continued growth for PSG. The Sales Directors report temporarily to the President and include:

STÉFANO DI GIROLAMO
Director of Sales and General Manager Montreal and Ottawa
Montreal, Quebec

ALEX LONG
Sales Director and General Manager, Western
Penticton, British Columbia

KEITH OTTAVIANO
Director of Sales, Eastern US
Knoxville, Tennessee

LUKE SLINGER
Director of Sales, Toronto
Toronto, Ontario

OPERATIONS

The Operations function encompasses several disciplines, including estimating, technical design, project management, procurement, manufacturing, managing our network of installation partners and service & maintenance. These groups, distributed across our Sales and Operations locations, are responsible the making sure the promises made to our customers are met consistently. They are responsible for ensuring operational excellence at all levels, including estimation, technical design, procurement, manufacturing, installation. All Operational Directors report to the EVP & COO, who ensures best practices are shared and used to make our processes more efficient and thereby improve our time to market. Our Operations Directors include:

ADAM AMER (no longer with PSG since April 2019)
Director of Procurement and Strategic Sourcing
Toronto, Ontario

TONY BRYANT
Director Project Management US and General Manager
Knoxville, Tennessee

JAMIE DAVIS
Director of Operations and General Manager
Heath Springs, South Carolina

DANIEL LAPLANTE
Director of Operations and General Manager
Edmundston, New Brunswick

ADRIAN SCHINCARIOL (Since February 2019 – replaces Kim Brumwell who is on long term leave)
Director of Operations
Toronto, Ontario

BUSINESS DEVELOPMENT AND INNOVATION

This team helps bridge the customer relationship between the Sales Team and the Operations group. They are mostly made up of the R&D and Technical Sales Support teams. In 2018, PSG decided it would expand its product offering to include self-manufactured LED digital boards. In years past, PSG would outsource and purchase such products from partners. Going-forward, we will be importing components and completing the manufacturing process ourselves, gaining tremendous efficiency and opportunities for revenue growth. The team leading this new offering is under Business Development and Innovation. During the reporting period, the Creative Director was also part of this team. Artists are key to creating the visual renderings which allow our Sales Team to showcase how the signage and branding elements will look on our customers property before manufacturing even begins. This ensures our customer know exactly what to expect when they decide to trust PSG with their signage and branding needs.

ROBERT BLYTH
Product Director – Digital Signage
Montreal, Quebec

RICK FERRARA
Creative Director
Toronto, Ontario

REGINA HARMON
Director, Maintenance Sales Development
Knoxville, Tennessee

MARTIN HIEB
Director of Technical Strategies & Support
Heath Springs, South Carolina

PIERRE PELLETIER
Technical Strategies and National Account Manager
Edmundston, New Brunswick

STRONG, STEADY, AND PROUD. WE HAVE STRONG EXECUTIVE AND SENIOR MANAGEMENT TEAMS THAT HAVE THE CAPACITY TO ADAPT TO CHANGING CONDITIONS.

ADMINISTRATION – FINANCIAL REPORTING, PLANNING & ANALYSIS, LEASING & IT

The Administration – Financial Reporting, Planning & Analysis, Leasing and IT Team has the mandate of protecting the financial, physical and information assets of the company and measuring the financial performance, while actively supporting the other functions within the organization. It also offers the Sales Team the necessary information and pricing to be able to offer leasing and maintenance agreements, complex financial instruments offered uniquely by PSG to the marketplace. The Team includes:

CHRISTIAN DUGUAY
Director of IT and Continuous Improvement, Assistant General Manager
Edmundston, New Brunswick

GRACE MIGLIORE
Director of Financial Reporting
Toronto, Ontario

JACQUES MORIN
Director of Financial Planning & Analysis
Toronto, Ontario

VINCE SANTAGUIDA
Director, Leasing Support
Toronto, Ontario

CORPORATE SERVICES – LEGAL, HR AND RISK MANAGEMENT

The Corporate Services Team makes sure PSG avoids unnecessary risks and supports management in taking care of its more important asset, its employees. Under People and Communications, we offer specialized management and technical training to our employees, ensuring they have the necessary knowledge and abilities to support our vision. The Team includes one Director and a small group of dedicated HR, Marketing and Communication specialists.

LOUISE MAZZOTTA
Director, People and Communications
Toronto, Ontario

TOWN HALL MEETINGS

Town Hall meetings with employees are regularly held in all PSG main sites and all manufacturing facilities. These meetings, held in informal formats in the plant or inside the cafeteria, are structured around health and safety, quality assurance, statistics on sales and/or production, recognition of employees, social committee activities, and production planning. We also present Project and Department Spotlights where employees present to their peers a noteworthy project they worked on or the inner workings of their own department.

THE TOWN HALLS PROVIDE OPPORTUNITIES TO INFORM EMPLOYEES ON VARIOUS SUBJECTS AFFECTING THE COMPANY; THIS TENDS TO ENHANCE THE ENGAGEMENT OF THE EMPLOYEES IN THE COMPANY, WHILE CONTRIBUTING IN MAINTAINING A GOOD LEVEL OF MOTIVATION WITH OUR ADMINISTRATIVE STAFF AND MANUFACTURING PERSONNEL.

AN OVERVIEW OF PATTISON SIGN GROUP

PSG HAS ROOTS DATING BACK TO 1904.

PSG HAS HEAD OFFICES IN TORONTO, CANADA, AND IN KNOXVILLE, TENNESSEE FOR ITS US OPERATIONS.

PSG HAS OVER 340,000 SQUARE FEET OF MANUFACTURING FACILITIES.

PSG HAS 10 SALES AND OPERATIONS OFFICES THROUGHOUT NORTH AMERICA.

PSG HAS A STATE-OF-THE-ART ERP SYSTEM TO BETTER SERVE OUR CUSTOMERS.

PSG HAS ISO 9001:2015, OHSAS 1800:2007, AND CSA STANDARD W47.1 AND 47.2 CERTIFICATIONS.

OUR EDMUNDSTON FACILITY HAS ITS OWN OUTDOOR ICE-SKATING RINK, COMPLETE WITH A CABIN AND WOODSTOVE.

PSG EMPLOYS OVER 725 EMPLOYEES.

PSG HAS 3 MANUFACTURING FACILITIES, STRATEGICALLY LOCATED IN CANADA AND THE US TO SERVICE NORTH AMERICA.

TWO IMPORTANT WORDS AT PSG: QUALITY AND SAFETY

THROUGH ITS LEASING PROGRAM, PSG LEASES AND MAINTAINS OVER 25,000 SIGNS.

PSG IS ABLE TO OFFER SERVICES IN THREE LANGUAGES: ENGLISH, FRENCH AND SPANISH.

PSG WAS PART OF THE TEAM THAT REBRANDED A LAS VEGAS STRIP HOTEL, OVERNIGHT.

THE FIVE KEY VALUES AT PSG ARE: CUSTOMER SATISFACTION, INTEGRITY, QUALITY, TEAMWORK, INNOVATION.

OUR PARENT COMPANY

THE JIM PATTISON GROUP

SALES: $10.6 BILLION

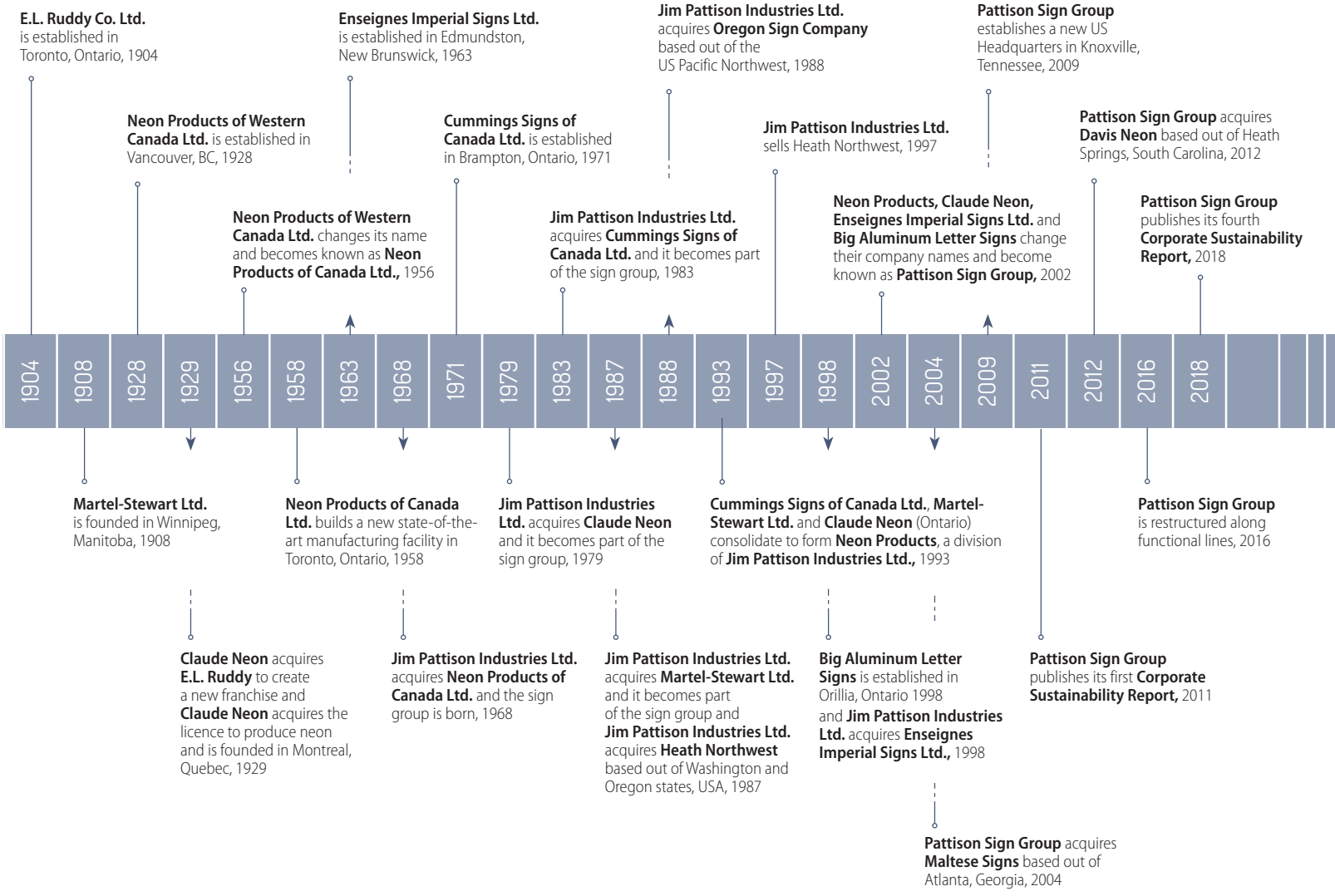
WORLDWIDE LOCATIONS: 541

EMPLOYEES: 46,000

(2019 NEWS GROUP DATA)

HEADQUARTERED IN VANCOUVER, BRITISH COLUMBIA, THE JIM PATTISON GROUP FOCUSES ON THE AUTOMOTIVE, MEDIA, PACKAGING, FOOD SALES AND DISTRIBUTION, MAGAZINE DISTRIBUTION, FAMILY ENTERTAINMENT, EXPORT AND FINANCIAL INDUSTRIES. THE JIM PATTISON GROUP IS THE SECOND LARGEST PRIVATE COMPANY IN CANADA.

A RICH HISTORY IN THE SIGN INDUSTRY



WE HAVE A LONG AND RICH HISTORY.
WE EXPECT TO HAVE A LONG SUSTAINABLE FUTURE.

WEALTH MANAGEMENT

OUR VISION

TO BE THE LEADER IN FULFILLING OUR CUSTOMERS' BRAND.

OUR COMMITMENT

TO PROVIDE OUR CUSTOMERS WITH INNOVATIVE BRANDING PRODUCTS AND SERVICES OF THE HIGHEST QUALITY THROUGH THE EXPERIENCE AND CREATIVITY OF OUR PEOPLE AND OUR PLEDGE TO SUSTAINABLE DEVELOPMENT.

CORE VALUES

PEOPLE

OUR PEOPLE MAKE IT POSSIBLE FOR US TO ACHIEVE EXCELLENCE WITH OUR CUSTOMERS. THEY ARE OUR NUMBER ONE ASSET.

CUSTOMER SATISFACTION

WE ARE TOTALLY COMMITTED TO EXCEED OUR CUSTOMERS' EXPECTATIONS.

INTEGRITY

TRUTH AND HONESTY ARE FUNDAMENTAL TO WHO WE ARE AND HOW WE CONDUCT OUR BUSINESS RELATIONSHIPS.

QUALITY

WE ARE A RECOGNIZED LEADER FOR QUALITY AND HIGH ENVIRONMENTAL STANDARDS.

SUSTAINABILITY

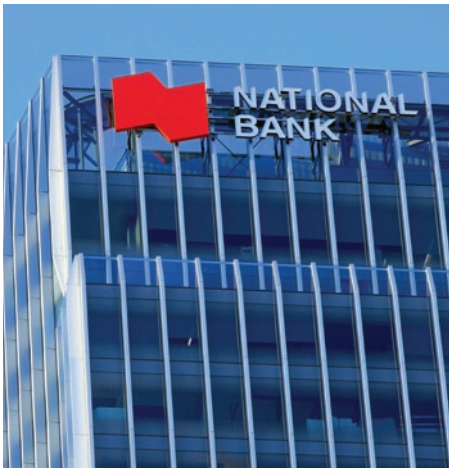
WHEN MAKING DECISIONS, WE ARE COMMITTED TO CONSIDERING THE LONG-TERM IMPACTS THEY WILL HAVE ON THE SOCIAL, ENVIRONMENTAL AND FINANCIAL ASPECTS OF OUR BUSINESS.

Budweiser
STAGE

HOT DOGS
TED ROGERS
CINEMA

WALDORF ASTORIA
LAS VEGAS

HYUNDAI


NATIONAL
BANK

TOYOTA
TOYOTA
3,000

OUR CUSTOMERS

PSG works with a diverse customer base of internationally recognized brands in many sectors of the economy. We deliver projects to some of the largest, well-known companies in North America. Through our international partnerships, we also have the ability to service global clients in Mexico and Puerto Rico.

During the reporting period, we have signed new, and renewed, several long-term agreements with customers; and we have successfully rolled-out numerous customer rebranding projects.

AUTOMOTIVE

- ACURA
- AUDI
- BRIDGESTONE / FIRESTONE
- BRP
- BUMPER TO BUMPER
- ENTERPRISE RENT-A-CAR
- FORD
- GENERAL MOTORS
- GERBER COLLISION & GLASS
- HONDA
- HYUNDAI
- JAGUAR LAND ROVER
- KIA
- LEXUS
- MR. CAR WASH
- POLARIS
- PORSCHE
- SERVICE KING
- RUSH TRUCKS
- TOYOTA
- VOLKSWAGEN

FINANCIAL/INSURANCE

- BMO
- CHASE BANK
- DESJARDINS GROUP
- INTACT INSURANCE
- INVESTORS GROUP
- MASS MUTUAL
- MONEY MART
- NATIONAL BANK
- RBC
- VANCITY
- WESTERN UNION

GOVERNMENTS

- CANADA
- VARIOUS NORTH AMERICAN CITIES

HEALTH CARE

- ATRIUM HEALTH
- CHILDREN'S HOSPITAL OF PHILADELPHIA
- CONNECT HEARING
- HARTFORD HEALTHCARE

HOTELS

- BEST WESTERN
- DELTA
- HILTON HOTELS & RESORTS
- MARRIOTT
- SHERATON

PETROLEUM

- CIRCLE K
- ENBRIDGE
- HUSKY
- IRVING
- NORTH ATLANTIC
- PETRO CANADA
- ULTRAMAR

RESTAURANTS

- A&W
- BOSTON PIZZA
- HUDDLE HOUSE
- KFC
- MCDONALD'S RESTAURANTS OF CANADA
- STARBUCKS COFFEE
- ST. HUBERT RESTAURANTS
- THE KEG RESTAURANTS
- TIM HORTONS

RETAIL

- ADIDAS
- ALCANNA
- ALDO
- BUY-LOW FOODS
- BEST BUY
- COUCHE TARD/MAC'S
- FLOOR & DECOR
- JEAN COUTU
- LONDON DRUGS
- NORDSTROM'S
- NORDSTROM RACK
- PETCO
- SAVE ON FOODS
- SHERWIN-WILLIAMS PAINT
- TARGET
- URBAN BARN
- WAL-MART CANADA

SERVICE INDUSTRY

- CHARTWELL
- CONAGRA BRANDS
- DELOITTE
- HEWITT CATERPILLAR
- KPMG
- LANDMARK CINEMAS
- MOLSON BREWERIES
- PWC
- RIPLEYS'
- SUN LIFE

TELECOMMUNICATIONS

- BELL
- CENTURY LINK
- ROGERS
- TELUS

A LEADER IN THE SIGN INDUSTRY

With an historical basis of over 100 years, PSG has seen and pioneered most major sign innovations for over a century. With a customer-centric innovation approach, and a comprehensive Research and Development Department to keep us on the leading edge of the industry, we are continuously developing new concepts, notably in lighting, energy consumption and material durability to produce signs that consume less energy and have minimum impacts on the environment.

PSG believes that success and sustainability are only possible through constant innovation, both in the design and the fabrication of signs. It is this belief that has driven us to the forefront of visual communication technology and made us a leader in the industry.

RESEARCH AND DEVELOPMENT (R&D)

Our R&D Department keeps us on the leading edge of technical innovation, integrating significant benefits to our manufacturing processes and environmental performance. As a result of our constant technology watch and our continuous innovations, we integrate a wide range of manufacturing techniques to produce a variety of finished products.

Our R&D Department has developed specialized materials, tooling, dies, assembly techniques, manufacturing systems and energy saving alternatives in an effort to deliver a finished product that exceeds expectations in regards to quality and sustainability. As a result of PSG encouraging constant customer feedback, we have developed several new product lines which have helped highlight our customers' brands in the marketplace. From LED cost-saving energy initiatives, to providing our customers with the most environmentally friendly products, our R&D Team is an important enabler in reaching our sustainability objectives.

Besides designing energy efficient sign, we can retrofit existing signage with LED upgrade kits that reduce energy consumption, ensure consistency, and decrease maintenance and labor time.

During the reporting period, we made significant upgrades to our R&D Department, notably by the installation of a new spectrophotometer, an accelerated weather-testing machine, and an engineering LED test box. Amongst its recent projects, our R&D Team tested eleven suppliers of LED lighting modules, with the objective of identifying the products that offered the best luminescence, uniformity, light density, and reliability. Through systematic studies of our R&D Team and our manufacturing plants, we have devised lighting arrangements that minimize the number of LED needed, while maintaining high levels of luminescence. Such innovations allow reducing the ecological footprint of our products by reducing the amount of material needed, and reducing the energy consumption.

PARTNERS

With a network of installers continuously evolving, PSG establishes quality partnerships throughout North America. We have some of the most strict installer qualification and vetting criteria and policies in the industry, with stringent processes to make sure our partners meet rigorous guidelines. Individual companies are screened on an on-going basis to ensure they possess the right equipment and knowledge to install or service any of our products. Emphasis is placed on our subcontractors having a health and safety program that satisfies or surpasses our requirements; they are also required to submit an inspection report on each completed and installed project.

Further, to ensure excellence in customer service, we have developed an Installer Network Management system where installers are rated according to several indicators: deadline fidelity, installation quality, accessibility, invoicing and pricing extras. In 2018, we launched our Installation Network Recognition Awards, an initiative to recognize our partners that have provided consistent commitment, superior quality and service support; our first awards were given during the 2018 Sign Association of Canada show.

Signs integrate different materials and various components. While most materials and components are readily available from global suppliers, some components are specialized to the signs that we manufacturer. We have agreements with subcontractors to supply us with specific, specialized components that are integrated in the sign that we manufacture, and we maintain regular contacts, notably through site visits, with these partners. The countries where we subcontract the supply of specialized components are China, France, Poland the United Kingdom and Mexico.

We are committed to continue to work with our partners regarding best practices for the supply of specialized components, the installation of signs, and best practices to achieve sustainability objectives.

FACILITY BRANDING

FACILITY BRANDING IS THE MOST COST-EFFICIENT, ENVIRONMENTALLY-FRIENDLY METHODOLOGY WE HAVE DEVELOPED FOR COMPLETE RE-BRANDING OF FACILITIES. USING THE EXISTING BUILDING STRUCTURE AND ENVELOPE, FACILITY BRANDING INCORPORATES PRE-FABRICATED ARCHITECTURAL ELEMENTS AND ENTRY TOWERS, ALL MANUFACTURED IN OUR PLANTS, TO ENSURE SUPERIOR FIT AND FINISH. IN-STORE ENVIRONMENTS ARE TRANSFORMED WITH DIGITAL SIGNS, LARGE FORMAT PRINTING, CREATIVE DÉCOR AND POP DISPLAYS.

SIGN LEASING PROGRAM

A LEADER IN THE INDUSTRY WITH ITS LEASING PROGRAM, PSG HAS AN IMPORTANT PORTFOLIO OF SIGNS ON RENTAL OR LEASED IN NORTH AMERICA; TO OUR KNOWLEDGE, IT IS THE ONLY PROGRAM OF ITS KIND IN THE NORTH AMERICAN SIGN INDUSTRY NOT TO USE THIRD PARTY FINANCING. WE CURRENTLY FINANCE, ADMINISTER, MAINTAIN AND INSURE OVER 25,000 SIGNS, USING OUR PROPRIETARY SOFTWARE TO MANAGE THE NETWORK. LEASING OFFERS MANY FINANCIAL ADVANTAGES TO OUR CUSTOMERS, INCLUDING SAVING ON CAPITAL EXPENDITURES, IMPROVED CASH FLOW, REDUCED OPERATIONS AND MAINTENANCE COSTS, AND BUILT-IN BRAND MANAGEMENT.

IT AND COMMUNICATION INFRASTRUCTURE

Through the years, we have made multi-million dollar investments in IT and communication technologies. As a North American company operating from several sites and working with many global companies, we are extensively doing videoconferencing in our business operations. Relying on efficient videoconferencing equipment rather than having on-site meetings reduces costs for the company, while drastically reducing the carbon footprint of the business operations and reducing the travel obligations of our employees.

As any other organization, PSG is at risk of cybersecurity threats; we do not take the threat of cybersecurity lightly. We are continuously auditing and improving our networks and systems regarding the loss of data, along with securing customer and employee privacy. We are committed to taking all necessary actions to minimize our exposure to cybersecurity risks.

AWARDS

AWARDS - EXTERNAL

2017	A&W AWARD OF EXCELLENCE AWARD TO RECOGNIZE THE PERFORMANCE AND SERVICE LEVELS OF SUPPLIERS
2017	(AWARDED FOR THE YEAR 2016) - PREMIER AWARD SIGN ASSOCIATION OF CANADA FASCIA SIGNS / CHANNEL LETTERS (TENANT SIGNAGE)
2018	LANCASTER COUNTY INDUSTRY OF THE YEAR (MEDIUM SIZE INDUSTRY) ECONOMIC COUNCIL OF LANCASTER, SOUTH CAROLINA, HEATH SPRINGS, USA

PERSONAL AWARDS - INTERNAL

2017	DANIEL LAGACÉ	EDMUNDSTON	JIM PATTISON GROUP PERSONAL ACHIEVEMENT AWARD
	ALEX LONG	PENTICTON	JIM PATTISON GROUP PERSONAL ACHIEVEMENT AWARD
2018	POINSETTIA BYRD	KNOXVILLE	JIM PATTISON GROUP PERSONAL ACHIEVEMENT AWARD
	JORDAN WEBB	VANCOUVER	JIM PATTISON GROUP PERSONAL ACHIEVEMENT AWARD

EMPLOYEES OF THE YEAR / MONTH

PSG sites have programs to recognize "Employee of the Month" and "Employee of the Year". These programs are appreciated, and they constitute a source of motivation and engagement for the employees. While being a friendly competition, recognized employees receive token benefits such as a photo in a prominent location; a dedicated parking space for the month; gift cards; etc. Whether you are a dedicated project manager, or the person shoveling the snow in the entrance of a manufacturing plant before the plant starts production, employees from various sectors of the company have been recognized for their dedication, hard work, and contributions to the quality of the work environment in our various facilities.

	EMPLOYEES OF THE MONTH 2017	
JANUARY	JEAN-PAUL RUEST	EDMUNDSTON
FEBRUARY	MICHEL M. THIBODEAU	EDMUNDSTON
MARCH	BRIAN GAUVIN	EDMUNDSTON
APRIL	SARAH CHEAN	MONTREAL
MAY	TINA BOLDUC	EDMUNDSTON
JUNE	MONIQUE CARON	EDMUNDSTON
JULY	MICHEL SERRY	EDMUNDSTON
AUGUST	MICHELLE LÉVESQUE	EDMUNDSTON
SEPTEMBER	DONALD BARD	EDMUNDSTON
OCTOBER	TODD GAGNON	EDMUNDSTON
NOVEMBER	TINA ALBERT	EDMUNDSTON
DECEMBER	STEVE NADEAU	EDMUNDSTON

EMPLOYEE OF THE YEAR AWARD 2017 (EDMUNDSTON)	
TINA BOLDUC	EDMUNDSTON

In 2017, only our offices in the Eastern part of Canada had a formal Employee of the Month and Employee of the Year program. In 2018, our Toronto office introduced an employee of the Year program. And in 2019 they are introducing a formal Employee of the Month program.

	EMPLOYEES OF THE MONTH 2018 (EDMUNDSTON)
JANUARY	CAROLE DAIGLE
FEBRUARY	MANON DUPÈRÉ
MARCH	LUC RICHARDSON
APRIL	JESSICA E. ROY
MAY	MAXIME CARON
JUNE	ALAIN PELLETIER
JULY	JIMMY LANDRY
AUGUST	DAMIEN LÉVESQUE
SEPTEMBER	SYLVIE SAVOIE
OCTOBER	SYLVAIN BOSSÉ
NOVEMBER	LUC BOSSÉ
DECEMBER	FRANCE NADEAU

EMPLOYEE OF THE YEAR AWARD 2018 (EDMUNDSTON)	
ANICK MIGNEAULT	EDMUNDSTON

EMPLOYEE OF THE YEAR AWARD 2018 (TORONTO)	
MIKE BOUTSAKIS	TORONTO

FOCUSED ON TRAINING

LOUISE MAZZOTTA
DIRECTOR, PEOPLE AND COMMUNICATIONS
TORONTO, CANADA

A first generation Italian born in Canada, Louise Mazzotta has the energy to energize. After occupying various positions in banking and IT companies, Louise has already occupied several keys positions at Pattison Sign Group. Throughout her career, the common denominators to her positions have always been "people" and "communications". The sum of these two is "training".

Through the years, Louise has developed and executed several training program within the company. Currently, Louise leads our "People and Communications" division, where the new and innovative PSG Academy has been established.

With Louise's dynamism, and her ability to mobilise, other notable training programs she has spearheaded include a program on customer experience, where our employees who have direct contact with customers receive training on customer relations, communication skills, and professional interactions.

Specifically to the Toronto Office, Louise has also implemented many training opportunities, as traditional programs or through Lunch and Learn events, which cover various topics related to professional development and personal well-being.

After work, on a personal basis, Louise provides training to new immigrants in the Greater Toronto Area, to facilitate their integration in their new country.

Louise Mazzotta is truly focused on training.

PSG ACADEMY

THE NEWLY CREATED PSG ACADEMY IS AIMED AT GROWING OUR LEADERS WITHIN THE COMPANY. CONSISTING OF LEADERSHIP TRAINING SPREAD OVER A TWO-YEAR PERIOD, THE PSG ACADEMY INTEGRATES CLASSES OF UP TO 10 PSG EMPLOYEES, FROM ALL OUR SITES, WHO ARE OCCUPYING LEADERSHIP POSITIONS, OR HAVE THE ABILITIES NEEDED TO ASPIRE TO A LEADERSHIP POSITION IN THE COMPANY. ESTABLISHED IN 2018, THE PSG ACADEMY ALLOWS GROWING OUR LEADERS WITHIN THE COMPANY, AND HAS BECOME A MOTIVATION FOR ALL EMPLOYEES AS THEY PROGRESS WITHIN THE COMPANY.

AT THE END OF THE REPORTING PERIOD, 50 EMPLOYEES WHERE ENTHUSIASTICALLY ATTENDING THE PROGRAM. THE FIRST COHORT OF GRADUATES IS EXPECTED IN NOVEMBER 2019.

PSG FIT

Why all these skates and snowshoes in the Edmundston facility?

The Edmundston facility introduced an innovative program to help in enhancing the well-being of our employees, while creating opportunities for colleagues to meet, exchange and discuss outside of the office environment.

At the Edmundston facility, the local Management Team have extended lunch breaks to participate in outdoor, physical activities. During the winter months, these activities include skating and snowshoeing, while the summer brings hiking, cycling, and even axe throwing competitions. Besides the extended lunch break, incentives in the form of water bottles and gift cards to purchase sporting equipment are offered to employees who attain certain levels of participation.

On the site of the Edmundston facility, employees have built an ice skating rink that is used during the daytime by the employees, along with being used at nighttime and week-ends by employees and their families. Using recycled materials, including an old wood stove provided by an employee, the employees have built a small shelter were skates can be tightened, and bodies can be warmed up from the cold Canadian winter.

The PSG Fit concept has been adopted in other PSG facilities and offices. Activities range from walking in a park or a forest, to yoga classes. Such activities are not only beneficial for the physical well-being of our employees, but also for their mental health.

In the end, PSG Fit provides opportunities for employees to do physical activities during their time at the office, enhancing their well-being, and leaving them more time with their families when they get back home after work.

The PSG Fit initiative is being adopted in all of our facilities, each one exploiting their natural environments for well-being activities.

FOCUSED ON CHANGES

CHRISTIAN DUGUAY
DIRECTOR OF IT AND CONTINUOUS IMPROVEMENT,
ASSISTANT GENERAL MANAGER
EDMUNDSTON, CANADA

There are no doubts about it, Christian Duguay is an agent of change.

Christian Duguay has been with Pattison Sign Group for over 20 years. During his career, Christian has brought several innovations to the company, be they in regards to technology integration, management procedures, and employee well-being.

Christian is an avid sportsman: a regular runner, cyclist and swimmer, with many marathons, half-ironmen and triathlons under his belt. Christian has always felt that his ability to remain fit provides him with the best mental conditions, not only for work, but also as a person.

Christian introduced several initiatives that affect the well-being of employees in our Edmundston facility, notably the PSG Fit initiative, the ice skating rink, and the axe throwing competitions. Christian is also behind many of the social activities, notably in organizing several fund raising activities, in organizing a red-carpet Christmas party for employees and spouses; in providing turkey, stuffing, cranberry packages to employees at Christmas time; and even popcorn at the Thursday afternoon break.

Most of the changes that Christian brings to the company have an impact on the well-being of employees, helping them to move away from daily stress, whether personal or work related. We also feel that employees who are themselves in good physical and mental health are better employees for the company.

Christian is also involved in the *Défi Pierre-Lavoie*, a major fund raising activity for schools in Eastern Canada, where he leads an all PSG tag-team doing 1 000 km (625 miles) of cycling in 3 days. During the years 2017 and 2018 of the reporting period, the PSG Team raised over $70,000, which was reinvested in local schools for the purchase of physical education and sporting equipment.

There is only one thing that is constant with Christian Duguay, it is that things constantly change. For the better.

“

I SIMPLY WANT TO BRING BACK THE GOOD OLD FAMILY, DOWN TO EARTH WORK ENVIRONMENT THAT SOCIETY TENDS TO FORGET.”

TAKING CARE OF OUR EMPLOYEES

At PSG, we strive to offer the best, and safest work conditions for our employees. This has positive impacts, not only on the health of our employees, but also on the quality of our products.

MANUFACTURING FACILITIES

While the processes within our three manufacturing facilities are continuously assessed, modified and adapted to achieve the above goal, each of our facilities have implemented actions that provide good working conditions for our employees. The lists below are indications of the types of improvements that were made during the reporting period.

EDMUNDSTON

- New mobile tables have been installed in our vinyl department, allowing to adjust the height of the working area to minimise muscle pain
- A thinner recycling machine has been upgraded
- Migration from the traditional hardhat to safety ball caps, which are much lighter and cooler than the traditional hardhats. Various models were tested to identify the preferred model of the employees
- Upgraded the ventilation system, during the summer period, in the area of the thermoforming ovens
- Developed a two-headed aluminum saw that allows to cut aluminum segments at opposite 45 degree angles, without needing to change the position of the segment, thus reducing the effort needed to position long pieces of aluminum segments
- An overhead crane was installed in the plastics department, to manipulate long elements that were normally moved by ganging up many employees

ORILLIA

- New mobile tables have been installed in our vinyl department, allowing to adjust the height of the working area to minimise muscle pain
- New storage racks have been installed, so accessing vinyl rolls can be done without using ladders
- The increased floor space provided by a new extension to our main facility has allowed us to reconfigure the manufacturing floor plan and thereby provide better flow of workers and products
- Lighting has been upgraded to LED in all sections of the manufacturing facility, thus providing better light conditions for our employees, while reducing the operational cost and environmental footprint of the lights
- New component hangers have been designed and installed in our main paint room, making it easier for painters to reach the whole surface areas to be painted
- A new sheet metal bending table was installed, offering better ergonomic positions for the operators

HEATH SPRINGS

- Migration from spray painting to digital painting, which has less impact on the work environment
- A full-time Health and Safety position has been created
- Enhanced safety trainings, to reduce workspace injuries, have been provided to our employees
- A formal Social Committee has been created; with activities ranging from family events to fund raising activities
- New, more generous benefit and health care packages, along with an Employee Handbook, have been offered to our employees

"

CHEZ ENSEIGNES PATTISON...
AT PATTISON SIGN GROUP...

ON S'OCCUPE DE NOS EMPLOYÉS. NOUS AMÉLIORONS CONSTAMMENT NOS PROCESSUS MANUFACTURIERS AFIN D'OFFRIR UN BON ENVIRONNEMENT DE TRAVAIL POUR NOS EMPLOYÉS."

WE TAKE CARE OF OUR EMPLOYEES. WE CONSTANTLY IMPROVE OUR MANUFACTURING PROCESSES TO OFFER GOOD WORK ENVIRONMENTS FOR OUR EMPLOYEES."

DANIEL LAGACÉ
PLANT MANAGER, EDMUNDSTON

SUPPORT FOR EMPLOYEE WELL-BEING

All PSG facilities and offices offer Employee Assistance Programs (EAP's) through third party organizations. Whether an employee has dependence problems, mental health challenges, or any other symptoms that affects his or her well-being, he or she has access to services to help go through these difficulties. Information on accessing these services is available throughout the facilities and offices, where information can be noted in full discretion by concerned employees.

PSG facilities have suggestion boxes that are readily accessible for employees wanting to transmit information anonymously to Management.

TORONTO – EMPLOYEE ROOM

Tired of the noise near your desk; need to take a break after a challenging meeting; want to meditate or pray; the Toronto office has recently upgraded its Employee Room, which now offers the usual tables, reclining chairs and televisions, but also two quiet rooms. The Employee Room also has two computer terminals that can be access without a password.

OVERNIGHT REBRANDING OF A LAS VEGAS HOTEL

Can you imagine going to bed in the Mandarin Oriental hotel on the Las Vegas strip, and waking up in a Waldorf Astoria hotel, without leaving your bed?

That's what happened in September 2018, when all the signage inside the Mandarin Oriental were switched to the Waldorf Astoria brand (the exterior signage were done afterwards, over several days). Usually, the rebranding of a hotel takes months of preparation, and weeks of work to change all the signage within the facility. However, while the planning took months of effort, the transformation of the Mandarin Oriental to the Waldorf Astoria was done overnight, literally. Pattison Sign Group was a key player in this achievement. We are proud of the work that our employees and partners have made in this achievement.

Not everything that goes on in Las Vegas needs to stay in Las Vegas. This story is too good for it to stay in Vegas!

FOCUSED ON EFFICIENCIES

TERRY FOSS
SUPERVISOR, SHEET METAL DEPARTMENT
ORILLIA, CANADA

When he arrived at Pattison Sign Group, Terry Foss was hired as a welder, proud of his class CWB 47.1 and CWB 47.2 certifications. In his approach to work, Terry rapidly showed that he could think outside the box.

As the Supervisor of the Sheet Metal Department in our Orillia facility, Terry designs and builds tools and jigs that improve our manufacturing processes, both in terms of efficiency and safety.

A reliable and resourceful employee, Terry is motivated by the challenges of solving technical issues that improve the efficiency of our manufacturing processes, while increasing the safety of our work environment. Terry Foss cares about his work as he strives to continuously improve our manufacturing processes.

It is with employees like Terry Foss that we achieve high levels of quality in our signs.

"I TRY MY BEST TO GET THE JOB DONE; TO FIND BETTER AND SAFER WAYS OF MANUFACTURING SIGNS."

CENTRE JEAN DAIGLE CENTER (EDMUNDSTON)

In Edmundston, several members of our Executive and Management Teams were highly involved in the planning and fundraising for a new $21 million community amphitheater for the region. Besides serving numerous community services, the Center is now home to a team in the Maritime Junior Hockey League, the Edmundston Blizzard.

This hockey team has created a new energy within the community around Canada's national sport. As the games are usually sold out, having tickets is a challenge.

Pattison Sign Group has been an active partner in building this facility, as we produced all signage, along with the center ice message box. During its manufacturing, the families of employees were invited to come see the center ice message box, and employees and family members signed their names inside the structure.

We are also proud to have access to a 12 seat Corporate Lounge, where Management enjoy the festivities *one* hockey game can bring; and it is indeed only *one* game per year. The other games are offered, by random draw, to employees of our Edmundston facility. Six happy winners receive two seats; the person of their choice can thus accompany them, whether they are children, spouse, friend, in-laws, or other family.

OUR JOURNEY TO SUSTAINABLE DEVELOPMENT

PSG recognizes that corporations in general, not only in the sign industry, are affected by sustainability trends. We take this very seriously and we strive to remain an industry leader on these issues.

At the corporate management level, we have a Vice President position specifically tackling sustainability issues. We also have local Green Teams, with mandates to provide the direction and implement local initiatives to reach the objectives and achieve the results expected in our Sustainable Development Initiative.

There is a growing trend to design and manufacture signs with small ecological footprints, both at the manufacturing level (e.g. using materials that have sustainability characteristics) and the operational level (e.g. signs with low energy consumption). The resulting opportunities are found in the balance to be achieved between economic and environmental considerations in designing and manufacturing our customers' products. We achieve this balance by being in constant communications and working with our customers and suppliers.

On the other hand, PSG is part of supply chains of several global companies. Most of these customers have their own sustainability requirements, which affect the design and the manufacturing of our signs. Again, we work proactively with our customers to ensure that we remain ahead of the curve in regards to their sustainability requirements.

The transportation of our products to the installation sites continue to be a concern as we implement sustainability principles in our operations. We have developed a corporate culture of maximizing and optimizing loads when we ship products across the continent. We also make production planning of our manufacturing facilities to minimize the distance of transportation of our products. While we continue to improve our environmental performance in the shipping of our products, we are continuing our journey towards the implementation of measurable indicators to better track our performance in minimizing the environmental impacts of bringing our products to installation sites.

As a corporation, we subscribe to several externally developed charters or principles and we are member of several industry organizations and most Chambers of Commerce and economic development agencies where we have manufacturing facilities and offices. We regularly assess our memberships and adherence to external charters and principles.

Addressing our sustainability issues is a strong motivation for us to continue to work with our customers and to engage our employees. Furthermore, it pushes us to be proactive in regards to knowledge and best practices to assure that we remain a leader in our sector and a good corporate citizen in general.

GUIDING PRINCIPLES OF THE PSG SUSTAINABLE DEVELOPMENT INITIATIVE

- Commitment by the Executive and Senior Management Teams of PSG;
- Covers the triple bottom line of sustainable development, namely economic prosperity, social considerations and protection of the environment;
- Accountable to customers, employees, communities and owner;
- Builds on a foundation of honesty and integrity to assure the credibility of the initiative;
- Incremental in scope and in time; and,
- Promotes employee engagement.

OBJECTIVES OF OUR CSR

- Provide a framework to document the triple bottom line of PSG (economic, social and environmental performances);
- Provide a framework to analyze the current practices at PSG, to identify areas for improvements and to set goals;
- Inform the various stakeholders of PSG – customers, employees, suppliers, communities, our owner;
- Provide a mechanism to better address the concerns and needs of our customers; and,
- Allow PSG to be a better, more informed, corporate citizen.

STAKEHOLDERS OF OUR SUSTAINABLE DEVELOPMENT INITIATIVE

- Current and potential customers;
- Current and prospective employees;
- Family of employees and the communities where PSG is present;
- Public in general; and,
- Owner.

CHARTERS OR PRINCIPLES ADHERED BY PSG

- International Organization for Standardization (ISO)
- Canadian Standards Association (CSA)
- Underwriters Laboratories (UL)
- International Sign Association (ISA)
- Sign Association of Canada (SAC) and its provincial branches
- Employee Equity Program
- Workplace Hazardous Materials Information System (WHMIS)
- Workplace Health, Safety and Compensation Commissions (WHSCC) (or equivalents)
- OHSAS
- Occupational Health and Safety Act
- COR Certificate of Recognition
- Petroleum Equipment Institute (PEI)
- Canadian Welding Bureau

MATERIAL ASPECTS

The *Material Aspects* are those that reflect the organization's economic, environmental and social impacts; or substantively influence the assessments and decisions of stakeholders. Thus, using the best available reporting principles and practices allows us to focus on material aspects that are important for PSG, and our stakeholders, through the process of reporting and the disclosure of significant indicators for the sustainability of the company.

The material aspects reported have been identified in our previous Corporate Sustainability Reports. In the preparation of this current report, a review of the material aspects was performed; it is felt that these material aspects are still relevant as indicators for the sustainability of the company. As we move forward with our sustainability initiatives, we intend to enhance our dialogue with our stakeholders and adjust, as needed and if relevant, the material aspects we will report on in the future.

ECONOMIC

While most of the materials to manufacture signs are supplied by multinational, global corporations, we nonetheless generate significant direct economic benefits in the communities and jurisdictions where we operate. By providing salaries and benefits to employees, by paying taxes, by purchasing a significant portion of our materials and other goods and services from local suppliers, we generate wealth in our communities of proximity.

Most of our hires are done locally, notably where we have manufacturing facilities and where we have significant operations and sales offices. This is particularly important since two of our manufacturing facilities are in a small community and in a rural region (Edmundston, Heath Springs), while the third (Orillia) is also in a small community, but next to a large urban center (Toronto). Employing mostly local people enhances the quality of our presence in these communities, while having the benefit of employees who are proud to work at PSG.

As much as possible, we call upon local businesses, contractors and suppliers for products and services that we need and that can be supplied locally. Specifically, we have a network of approximately 900 subcontractors who complete our sign installations and maintenance in the field. Not only do we receive great value in return, we also contribute in generating wealth in the communities where we do business.

Designing and manufacturing signs that attract attention and that are visually pleasing, durable and energy efficient creates an important indirect economic benefit: helping businesses become successful with signs that attract customers. The success of our customers reflects on the long term success and sustainability of our own company. It is this mutual success that assures direct, indirect and induced economic benefits to the economies where we do business.

Our manufacturing facilities are significant employers in their respective communities. Some manufacturing facilities, such as in Edmundston and Heath Springs, are in the top three employers in their respective regions. In the communities where we do business, and in particular in these two communities, our economic activities generate significant direct, indirect and induced economic impacts, making PSG one of the most important economic player in these regions.

While our main markets are signs and other facility branding elements purchased by customers, we also provide leasing options, thus allowing those interested customers to minimize their capital investments. This is an indirect benefit that contributes to the success of our customers.

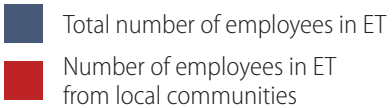
Economically, we have the ultimate goal of being financially successful and of bringing a reasonable return on invested capital (ROIC) to our owner, while remaining competitive in our industry. That is how sustainable companies succeed. We intend to maintain this objective on the long term, and thus continue to satisfy the needs of our customers, who do business with a financially stable and sustainable company; to contribute to the prosperity of the communities where we do business; and to continue to provide competitive, dependable and professional services to our customers.

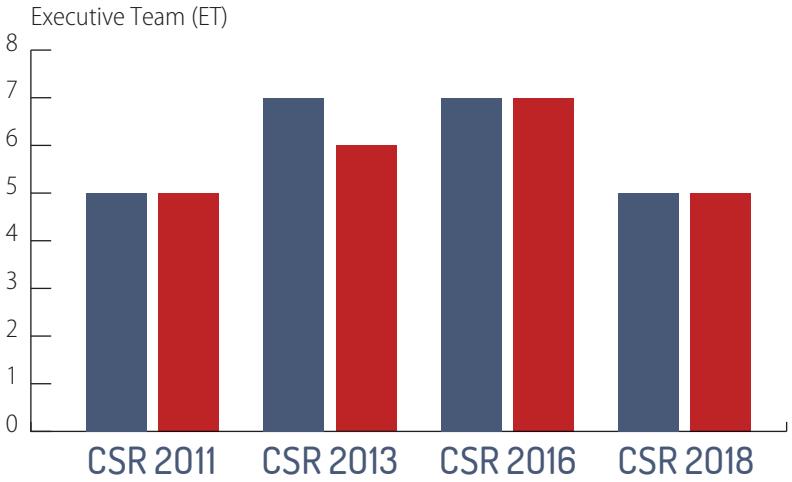
MARKET PRESENCE

Because of the importance of the role we play in the local communities at our significant locations of operation, we strive to have a large proportion of our Executive Team hired from these local communities.

All PSG locations have hiring practices that tap into the local talent pool, both for manufacturing and for management personnel. With respect to the company's management, all five members on the Executive Team are from local communities where PSG is present, and all of them have been promoted to their current position from within the company.

PROPORTION OF HIRED FROM THE LOCAL COMMUNITY AT SIGNIFICANT LOCATIONS OF OPERATION





ENVIRONMENTAL

At the operational level of our signs, we have made significant improvements in the design of signs that minimize energy consumption. We are committed to work with our employees, our R&D Department, our suppliers and our customers to continue to reduce the ecological footprint of our signs, both in the manufacturing phase and the operational phase of the signs.

We are committed to optimize the usage of materials in the manufacturing of our signs, and to optimize the usage of consumer products in our operations. In the manufacturing of signs, we work to reduce the material intensity by optimum design and waste reduction. At the operational level, we have implemented environmentally-friendly business practices where consumer products made from recycled material are used when available.

Within all of our facilities, whether they are manufacturing plants or office environments, we have recycling programs for all our waste in our facilities. Basically, anything that can be recycled is recycled. This includes products such as metals, plastics, wood from crating, paint, paint thinners, paper, cardboard, etc.

While most of our waste is non-hazardous, we do work with hazardous material and we generate some hazardous waste. These include paints and solvents for the manufacture of signs; and mainly waste oils and hydraulic fluids from the operation of our manufacturing equipment. In all cases, we comply, and surpass, local regulations in the handling and in the recycling or disposal of our hazardous waste. Further, our facilities are equipped with specific rooms and ventilation systems for the storage of hazardous products and waste.

During the reporting period, we abandoned the usage of the corporate jet that we were sharing with other divisions of our parent company, The Jim Pattison Group. This allowed us to significantly reduce our GHG emissions, without compromising our travel efficiencies.

Our goal is to continue to be a model sign manufacturer where environmental issues are considered in the design and the manufacturing of signs. We are committed to continue making our operations and products as environmentally responsible as possible.

Our sites, notably the manufacturing facilities, have clean environments and they generally integrate well in the communities where we are present. This minimizes the impact of our facilities on the landscape of our communities. For their part, our Sales Offices contribute to the economic activities in their communities.

ENERGY

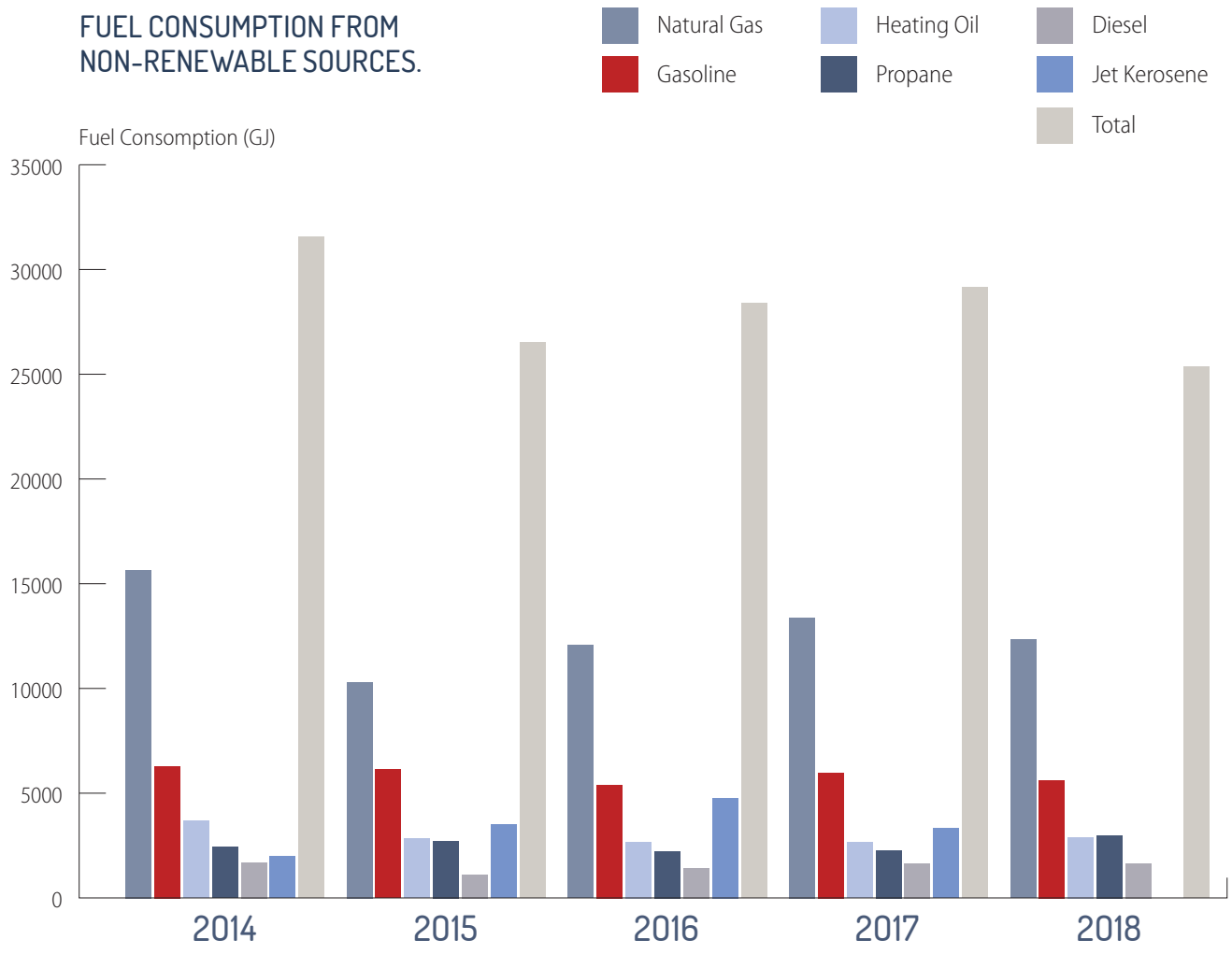
As a manufacturing company where most products consume energy and have an important material intensity, we are continuously innovating to produce signs that have low energy consumption, while reducing the material intensity. Further, we are constantly looking for raw materials that are made from recycled materials or that can be recycled at the end of the useful life of the product. This is achieved by working with our employees, notably our R&D Department, our suppliers and our customers.

At the business operations and manufacturing level, we execute energy audits in our facilities and we have a corporate-wide initiative to measure our GHG emissions. We have identified, through a participatory approach with our Green Teams, lists of GHG sources in our facilities and offices, and we have made significant modifications to our accounting system to be able to better track data that allows us to better monitor our GHG emissions. Our objective is to reduce both our energy consumption and our GHG emissions.

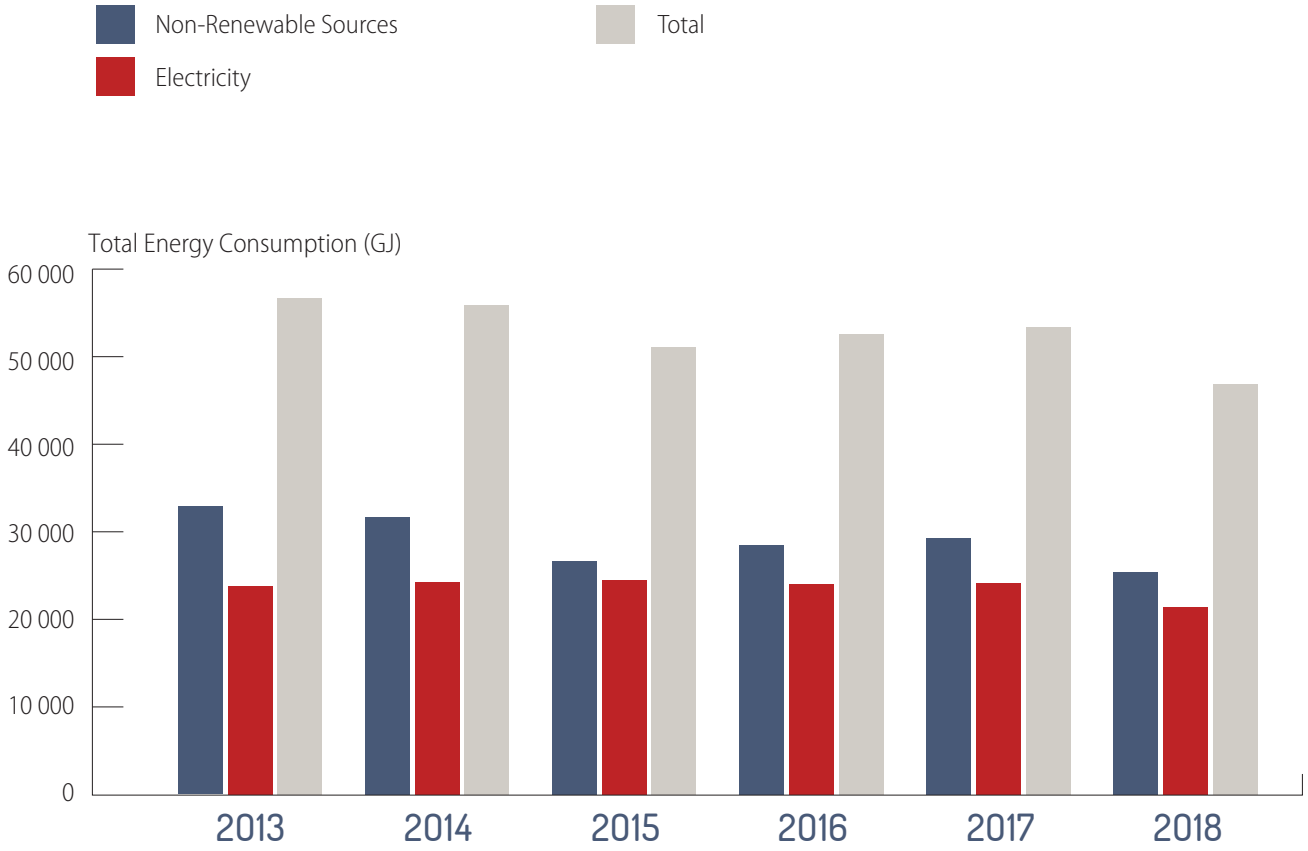
Through our GHG emissions reporting, we have identified the types of energy consumed within the organization. Besides natural gas, propane and heating oil, we monitor the fuels consumed in vehicles owned or controlled by us. Primary data on the consumption of energy, on a volume basis, are detailed in our GHG Inventory Reports; while conversion factors are EPA-based, and they are archived in the same report.

We do not currently have our own energy generating equipment, and we do not sell energy of any form.

FUEL CONSUMPTION FROM NON-RENEWABLE SOURCES.



TOTAL ENERGY CONSUMPTION



EMISSIONS

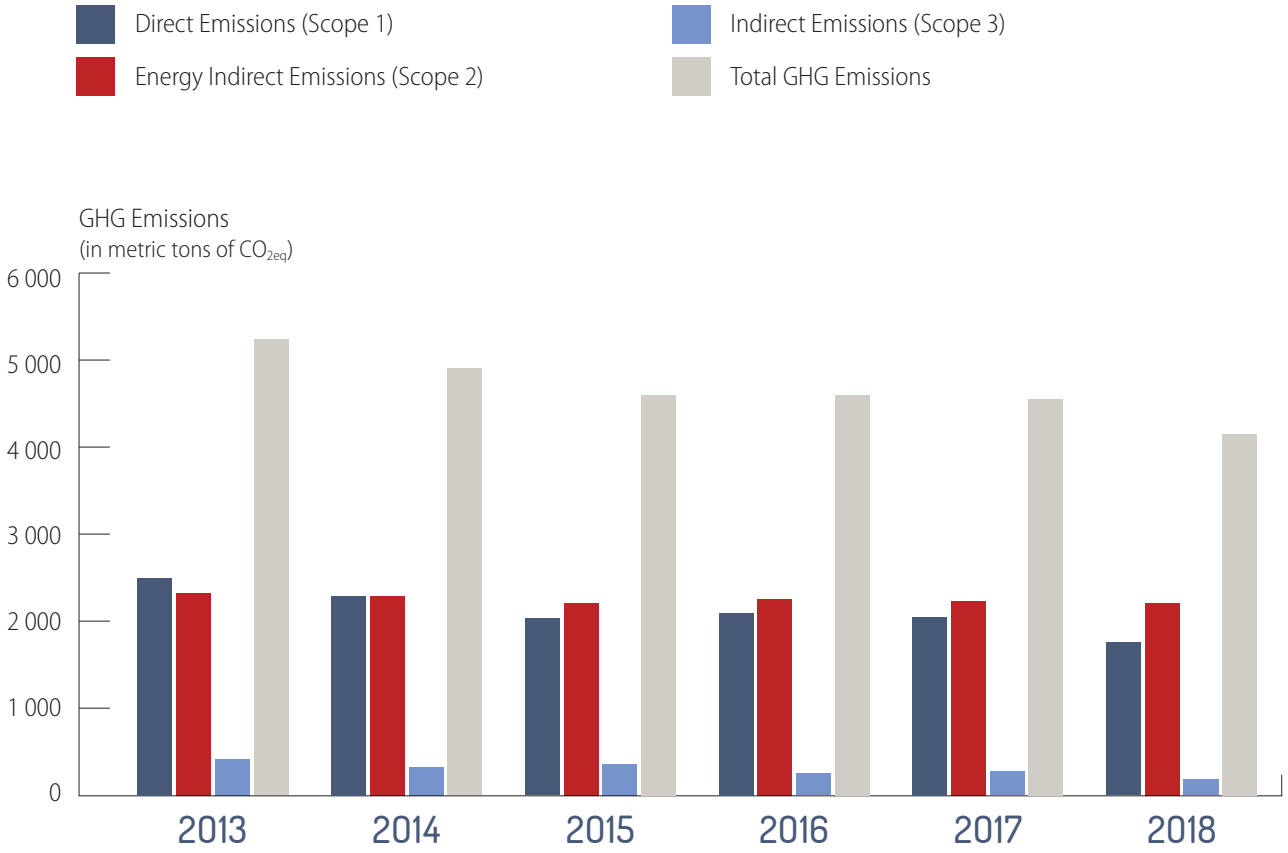
While we recognize that climate change is a global and complex problem, we also recognize that local actions must be made to reduce greenhouse gas (GHG) emissions. At PSG, we quantify our GHG emissions from our manufacturing and business operations. This project involves all manufacturing facilities and all Sales Offices.

The initiative started with training sessions to the Executive and Senior Management Teams, then to management and technical staff who are involved in identifying GHG sources. With the guidance of an external advisor, we identified and validated, through an employee participatory process and site visits, all GHG sources in our facilities and offices.

We have also made significant modifications to our accounting system in order to efficiently track and measure data that allows quantifying our GHG emissions on a continuous basis.

The calendar year 2013 has been identified as the first year to quantify our GHG emissions, which provides a baseline on which we are working to reduce our carbon footprint. PSG is committed to continue to work on reducing its GHG emissions, both for immediate returns, but also to be ready for any eventual forms of emission caps or taxation.

GREENHOUSE GAS EMISSIONS: DIRECT, ENERGY INDIRECT, INDIRECT AND TOTAL



Direct emissions: GHG sources owned and controlled by PSG

Energy indirect emissions: Emissions related to PSG's activities, but where the emissions are from other entities not controlled by PSG (e.g. electricity consumption)

Indirect emissions: Emissions, other than energy indirect, which are a consequence of PSG's activities, but arise from GHG sources that are not owned or controlled by PSG (e.g. emissions due to commercial airline traveling)

ENVIRONMENTAL COMPLIANCE

We are proud to operate state-of-the-art manufacturing facilities, and we maintain offices that inspire professionalism. These are more than images for us, they are a reflection of the type of company that we are. In recent years, we have invested in our facilities to reduce their ecological footprints, while still providing safe and efficient workplace environments. Notably, we invest in energy-efficient lighting upgrades, energy efficiency assessments and upgrades, videoconferencing infrastructure, safety audits and upgrades, and we constantly optimize the workspace of our various facilities and offices.

Over the period covered by this report, PSG was not the object of any non-compliance with environmental laws or regulations. Thus, we did not receive monetary fines or non-monetary sanctions for non-compliance with environmental laws and regulations.

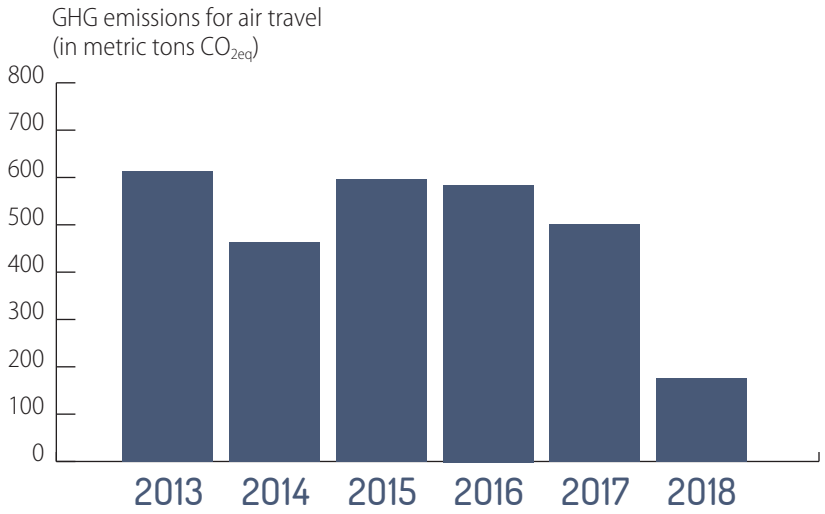
TRANSPORT

Since we use third-party logistics companies to transport our signs to their installation sites, we do not control the whole value chain for the shipping of our products. Thus, the transportation of signs is not part of the boundaries for this Corporate Sustainability Report. While we constantly optimize the shipping of our products, we are working to better assess our sustainability performance in regards to the transportation of our signs.

Our business operations, including our sales efforts, have significant impacts, both financial and in regards to GHG emissions, on our sustainability as a company. Through our annual GHG Inventory Reports, we track the GHG emissions for the transport of our workforce for business operations and sales. We also extensively use an efficient video-conferencing system that has significantly reduced the needs of traveling for our employees.

With manufacturing facilities and Sales Offices throughout North America, and with markets that span the continent, air travel constitutes a significant proportion of our GHG emissions (after our direct emissions, mostly due to energy consumption, and the indirect energy emissions from our purchases of electricity). The following figure presents the evolution of our GHG emissions from the air travel of our workforce.

GHG EMISSIONS FOR AIR TRAVEL



LABOR PRACTICE AND DECENT WORK

Our employees are our greatest asset. We are proud to say that we treat them well; and we are committed in continuing to do so.

Human Resources (HR) are managed locally in each of our manufacturing facilities and main offices, under the responsibility of our Vice-President Corporate Services. Our policies fall under the following categories: Health and Safety, General Administration, Finance & Accounting, Human Resources (HR), Integrity & Ethics, IT, Sales Management, Travel & Expenses and Corporate. We sometimes adjust our policies with the aim of providing similar HR practices and data monitoring approaches in all our facilities and offices.

EMPLOYMENT

A dedicated workforce leads to improved productivity, enhanced quality and innovation; these are important factors for the sustainability of a company. Besides offering competitive compensation packages (salaries, benefits, health plans, etc.), we have implemented several employee engagement initiatives (annual evaluation, regular meetings with all personnel, training, etc.) to enhance employee engagement in their work and in the company. This, we feel, explains the relatively low turn-over rates in our manufacturing and management personnel.

However, since our facilities and offices are situated in regions of strong economic growth, and low unemployment rates, finding good qualified human resources is challenging in all our facilities, as much in the manufacturing personnel as in the administration personnel. However, we are not the only corporation having these challenges. In this context, we strive to provide good working conditions, both in regards to salaries and benefits, for our employees. We also develop innovative approaches to attract highly qualified people, such as the partnership program with the New Brunswick Community College, where we ended up hiring the whole class of graduates.

In general, the labor-management relations at PSG are good. The fact that management positions are occupied by employees who grew within the company can explain these good relations. Indeed, employees recognize that management personnel have a good understanding of their contributions to the company.

Two of our manufacturing facilities operate under collective bargaining, while the third, Heath Springs, operates under the state legislation of Right to Work. We are not aware of any situations where the right to freedom of association and collective bargaining has been at significant risk. We diligently treat all complaints and grievances in accordance with our collective agreements and policies, and with due respect of our employees. We do not publicly disclose the number of complaints and grievances, if any, and the actions taken.

We normally post job openings, both for manufacturing and management personnel, internally to allow for internal promotions and job mobility within our company. We subscribe to diversity and equal opportunity in all our facilities and offices. In the communities where cultural diversity is present, our workforce in these locations reflects this diversity. Further, in this context, we offer equal remuneration packages for women and men.

We have also developed internal models of projection of workloads, which allows us to be proactive in the recruitment and the training of employees before the start of large projects.

The following Table provides a summary of our full time employment hires, by region, during the reporting period.

NEW, FULL TIME EMPLOYMENT HIRES, BY REGION, DURING THE REPORTING PERIOD.

REGION	YEAR	TOTAL NUMBER	% OF WORKFORCE
CANADA	2017	70	11.8%
	2018	84	14.5%
USA	2017	47	22.6%
	2018	37	18.0%
TOTAL	2017	117	14.6%
	2018	121	15.4%

Employment turnover rates can be influenced by several factors, some not under the control of the employer. As a company, PSG makes all reasonable efforts to assure stability in its personnel, while maintaining a healthy turnover rate in our pool of employees. For the period covered by this report, the turnover rates, as a function of regions, were as follows:

EMPLOYEE TURN-OVER RATE, BY REGION, DURING THE REPORTING PERIOD.

REGION	YEAR	% TURNOVER
CANADA	2017	13.3%
	2018	19.4%*
USA	2017	23.6%
	2018	18.0%
TOTAL	2017	16.0%
	2018	19.0%*

** These numbers include the Penticton plant closure*

OCCUPATIONAL HEALTH AND SAFETY

Beyond satisfying legal or regulatory obligations, we are committed to providing a safe and healthy workplace for our employees and visitors. At the manufacturing level, we have established Joint Health and Safety Committees at all significant locations of the company. We also provide safe work environments, appropriate tools, work protocols, health and safety manuals, and regular training regarding workplace occupational health and safety. Workplace occupational health and safety are monitored locally in all our facilities.

All new employees receive training on health and safety requirements, along with our safe workplace environment protocols.

All regions with manufacturing facilities during the reporting period have a Joint Health and Safety Committee, which applies to all employees.

COMPOSITION OF THE JOINT HEALTH AND SAFETY COMMITTEE IN OUR FACILITIES

REGION	MEMBERS NO.	MANAGEMENT (%)	NON-MANAGEMENT (%)
EDMUNDSTON, NB	10	50	50
HEATH SPRINGS, SC	12	16	84
ORILLIA, ON	8	37.5	62.5

WORKPLACE ACCIDENTS DURING THE REPORTING PERIOD

REGION	LOSS TIME ACCIDENTS	LOST DAYS OF WORK	NON-LOSS TIME ACCIDENTS	FATALITIES
EDMUNDSTON, NB	11	277	28	0
ORILLIA, ON	0	0	6	0
HEATH SPRINGS, SC	7	515	4	0

SOCIETY

As a North American-based corporation, we follow business practices strongly grounded on ethical principles, notably as it relates to corruption, anti-competitive behavior, and marketing communications. This is achieved through open and internally transparent management systems where individuals are accountable for their actions.

Our procurement practices follow the general business approaches on the North American continent. Although we are a large player in our industry, we are not yet large enough to impose sustainability practices or metrics to our suppliers. However, we have a growing trend to do business with suppliers who follow sustainable business practices. We will continue to monitor our role in the development of a sustainable sign industry, and we will use our position to positively influence this development.

In a general sense, we work in partnership with local groups, organizations and institutions to improve the quality of life in the communities where we do business; this Corporate Sustainability Report lists some of the great actions and initiatives undertaken by our employees and the company. These actions tend to focus on supporting education and training institutions, not-for-profit groups related to poverty reduction, health research, and other worthy local/regional/national causes.

SOCIETY COMPLIANCE

As all responsible companies, our goal is to comply with all applicable laws, regulations, legislations and codes of conduct. While ultimately this obligation rests on the Vice President Corporate Services to ensure compliance, all management staff are fully aware of their obligations in regards to ensuring that we fully comply with regulatory and legal obligations. All non-compliance situations that are eventually raised, if any, are diligently investigated.

During the reporting period, PSG complied with all laws and regulations in every jurisdiction we operate. Thus, PSG did not receive fines, nor did it receive non-monetary sanctions, for non-compliance with laws and regulations.

Further, during the reporting period, PSG complied with all requirements, regulations and voluntary codes in matters protecting basic human rights and had therefore no incidents of discrimination nor did it experience incidents of violations involving the rights of all people, including indigenous people. We did not have legal actions for anti-competitive behavior, anti-trust, and monopoly compliance.

Finally, PSG was in compliance with all requirements, regulations and voluntary codes concerning product and service information and labeling; and PSG did not receive fines for not complying with laws and regulations concerning the provision and use of products and services.

COMMUNITY INVOLVEMENT

Most of the materials to manufacture signs are supplied by multinational, global corporations (steel, aluminum, plastics, lighting, etc.). Nonetheless, we make all reasonable efforts to purchase goods, supplies and services from local vendors. These local purchases make a difference for small shops, and local contractors. As a corporation, we are committed to continue and to expand local purchases whenever possible.

From community economic development agencies, to fundraising initiatives, to helping reduce poverty, PSG employees contribute in building the communities where we are present. Their involvements in numerous charitable initiatives, committees and groups contributes in building strong and dynamic communities. Below are a few examples of some of the community activities that the company and our employees have been involved during the reporting period.

AN INNOVATIVE PARTNERSHIP (EDMUNDSTON)

Facing potential shortages of Technical Design expertise in our Edmundston facility, we worked with the local Collège Communautaire du Nouveau-Brunwick (CCNB) to implement an innovative program that would be good for the students, good for the College and good for PSG. We wanted a win-win-win situation.

In their first year of study, the five students of the Technical and Industrial Design class made a one-week observation internship within our Technical Design Department. In their second year, the internship requirements for the program were modified to include a six months, 1.5 day per week internship, doing real work within our Technical Design Department.

At the end of the six months internship, PSG hired the five students who graduated from the program.

"

WORKING WITH THE COMMUNITY COLLEGE...

ALLOWS ME TO SHARE MY KNOWLEDGE IN THE TRAINING OF FUTURE DRAWING PROFESSIONALS".

ANICK MIGNEAULT
SUPERVISOR, TECHNICAL DESIGN DEPARTMENT, EDMUNDSTON

PERSEVERANCE

GREGORY, THIERRY AND YASSINE HAVE ONE THING IN COMMON: PERSEVERANCE

Thierry Bernier had been working for 14 years in a major grocery store in Edmundston, where he was working as a clerk in the fruit and vegetable department. Realising the limited opportunities for personal growth in this employment, and confident that he had the capacity to do more, he quit his job and registered in the Technical and Industrial Design program at the New Brunswick Community College.

After doing a one-week internship at Pattison Sign Group in his first year of study, Thierry was part of the class identified for the internship program over a six months period, and which was hired in its entirety during the reporting period. Thierry's maturity and silent confidence contributes to a solid team in the Technical Design Department.

Gregory Gillet was working in his home region, in the Alps of France, where he occupied various positions in industries. While these were good positions within his expertise of electromechanical engineering, the region could not offer stability in employment. He aspired to better conditions where his employment and is family life could enjoy more harmony.

He and his spouse made a trip to Eastern Canada, and they discovered Edmundston, with its rolling hills, its rivers, its lakes, and its people. They decided that they wanted to settle here.

While facing numerous obstacles in the immigration process, both in Canada and in France, they persevered, until finally, they got their papers to work in Canada.

After sending out two job applications, Gregory had two interviews scheduled for positions in Edmundston, the first one at PSG, and a second one in another local company. Gregory canceled the second interview, and he accepted our offer for a position of Estimator.

Recently, Gregory and his spouse had a daughter, and they very much enjoy their new environment.

Raised in Fès, Yassine Bouhaj's parents are Berber from south Morocco. As most young people in these regions, Yassine was aspiring to a better life, where he could exploit his talents and become a positive element of society. To achieve this goal, Yassine persevered in studying and he continuously gained relevant experiences to achieve his dream to work in industry.

Yassine made three attempts to obtain a visa to come to Canada. The first two times, he was refused. Both times, he persevered and he remained focused on his goal to come to Canada. Both times, he attended a new training program to enhance his knowledge and his abilities. The third time, he obtained the visa.

Upon arriving in Edmundston, Yassine had his job interview on Friday; and he was working on Monday morning. Since then, Yassine is making significant contributions to the Technical Design Team where his abilities, and his generous attitude, are much appreciated.

Yassine, who grew up in the desert, now has his own snowshoes, which he uses three times a week with colleagues active in the PSG Fit initiative.

CHAMPIONS OF SOCIAL CAUSES (KNOXVILLE)

During the reporting period, our Knoxville Office has continued to be involved in numerous social causes of importance to its local communities. The generosity of our employees has materialized in the support of many needy causes, such as the ones presented below.

KNOXVILLE GREEN TEAM ESSAY SCHOLARSHIP: A flagship program of our Knoxville office, the Green Team Scholarship is an annual essay competition for employees, or their family members, wanting to pursue their studies. Candidates submit an essay, on a sustainable development topic relevant to the Knoxville area, which is determined by the Knoxville Green Team, while the winning essay is selected by an independent committee. Funds for the scholarship are raised during the Annual Tennessee Tailgate party at a football game of the University of Tennessee (UT).

TREES KNOXVILLE: Many employees of our Knoxville office are involved in this reforesting project in the Knoxville area, where trees are planted on school campuses and other areas of the community. Along with their esthetic values, these trees provide shades, while acting as carbon sinks.

U OF T SCHOLARSHIP: Our employees have raised a $25,000 endowment fund for a student scholarship at the University of Tennessee. The scholarship is awarded to athletes who return to study at the UT.

RACE FOR THE CURE: For nearly 10 years, our Knoxville Office has a team in the Race for the Cure, which raises funds for a local foundation. The funds are raised through a Chili Cook-Off, an annual event cherished by our employees.

TEDDY BEARS TO HELP FIRST RESPONDERS: Every child, at one time in his or her life, had a teddy bear. They were friends and they brought comfort. Jeff Stuart, Estimator in our Knoxville office, raises funds to buy teddy bears for the Knox County Police Department. The teddy bears are given to children who are in traumatic situations when Officers arrive at a scene. Jeff also collects various products during the Christmas period, which are then redistributed to family in needs.

FAMILY SPONSORSHIPS: Through a partnership with a local radio station, our Knoxville employees supported three family in need, notably by purchasing necessities for children, including beds, and paying overdue rent. To help raise funds, two Knoxville employees repelled 13 stories down an office building. Talk about not being superstitious!

SUPPORT OF A COLLEAGUE: Disaster does not always strikes elsewhere; it sometimes strikes near us. After a colleague in our Knoxville office had a fire in her apartment, our Knoxville employees contributed in helping purchase new kitchen appliances.

BOOK DRIVE: In collaboration with one of our subcontractor, our Knoxville employees collect books and DVD movies, which are then redistributed to users or exchanged in used book stores; all funds raised are returned to family in needs.

FOCUSED ON SOCIAL CAUSES

WENDY WEBB
MANAGER, PROCESS IMPROVEMENT AND TRAINING, KNOXVILLE, USA

Wendy Webb has occupied several key positions at Pattison Sign Group. Starting as a Project Manager in our Knoxville Office, Wendy moved up the ranks through hard work and dedication, where she is now fulfilling the position of Manager, Process Improvement and Training.

Besides the leadership role that she is playing in the management of the company, Wendy has been involved, as the champion or as an active participant, in numerous social and community causes that our Knoxville Team have embraced.

Notably, Wendy has been a driving force for the Habitat for Humanity program, where PSG employees have completed three home builds for deserving families in the Knoxville area. She has also played leadership roles in the Knoxville Green Team, the Annual Tennessee Tailgate and the Annual Chili Cook-Off, to name a few.

Not only do the actions of Wendy Webb have significant impacts in our communities, they contribute in building a strong Team of employees in our Knoxville Office.

"I AM PROUD AND FORTUNATE TO BE ABLE TO WORK WITH CARING, GENEROUS PEOPLE."

MAKING DIFFERENCES

WOMEN PROMOTING WOMEN DEVELOPMENT

Annick Lajoie, Director of HR services for our Edmundston, Montreal and Ottawa sites, was recognized by the *Réseau d'échange des femmes en affaires* (Network of Business Women) of New Brunswick for her contributions in promoting networking events and exchanging best business practices for women.

Betsy Ewart, National Sales Executive in our Knoxville office, is a member of the Task Force of the International Sign Association working on Women Leading the Industry (WLI). The objective of this initiative is to inspire and empower women in the sign, graphics and visual communications industry who aspire to leadership roles in their companies, and the industry.

YOUTHLINK CENTER (TORONTO)

The Toronto Office has identified YouthLink as an organization to support within the Greater Toronto Area. YouthLink provides a wide range of services to the youth of Scarborough (where the PSG office is established), and the Greater Toronto Area in general. Serving youths needing support for their emotional well-being, mental health and intellectual development, the program helps them to develop their strengths, to build their life skills and to go after more promising and exciting futures.

Beyond providing YouthLink with preferential tariffs for their signage needs, PSG is providing monetary contributions, along with working on the development of a long-term partnership between the two organizations.

MOVING DOWNTOWN (KNOXVILLE)

The Knoxville office plays a significant role for the company, notably in regards to the USA markets. Specialized in project management and sales, the Knoxville office has 75 employees working in an office environment.

Until recently, our Knoxville office was situated in a business park, off an exit of the I-40 Highway, on the outskirts of the city. Since there were no food services near the office, getting lunch, or simply a coffee, implied that you had to drive a car; this driving also reduced the leisure time for lunch.

After consulting the employees, and assessing the impacts on the employees of changing our office location, we decided to move our Knoxville office within the downtown core of Knoxville, the home of the University of Tennessee Volunteers.

Moving to the downtown area has brought us back to good old fashion, vibrant business environments, with services and facilities within walking distances of the office. This move also contributed in helping the Knoxville community working to revitalize the downtown area of the city, as many other cities are trying to achieve.

The move had a positive impact on the quality of life of our employees. The new office environment follows current trends in office settings, with glass enclosed offices in the center of the workspace, and drop cubicles along the walls with natural light. The open concept also brings good vibrations and good energy in the office.

Our Knoxville employees also appreciate to be able to access services within walking distance of the office, especially Market Square, the heart of beautiful downtown Knoxville.

FLOWERS (USA)

Keith Ottaviano, Director of Sales US, based in our Knoxville office, helped start and is a former President of Random Acts of Flowers, a not-for profit organization that repurposes flowers and vases, obtained from weddings, banquets, funerals, and delivers bouquets to enhance the life of people in hospitals or in other forms of personal distress. Started as a local charity in the Knoxville area, which has recently delivered its 100,000th bouquet, Random Acts of Flowers is now a national organization.

CHASE-THE-ACE (EDMUNDSTON)

In her benevolent work, Michelle Levesque, Project Manager in Edmundston, has led a Chase-the-Ace contest in the community; the initiative raised $1.3 million for the animal shelters in the region of Edmundston, and in other communities of New Brunswick.

THINK GLOBALLY; ACT LOCALLY

Sometimes, it is the small actions that make a difference. At all of our locations, PSG employees are working to reduce our environmental footprint, and they are engaged in numerous fundraising activities and community drives, which, year after year, benefit the people in needs in the communities where we are present. Here is a sample of some of the difference-making activities, organized by our employees in our main facilities:

EDMUNDSTON

- Management personnel are involved in various post-secondary education and economic development committees in the Northwest region of the Province of New Brunswick
- Academic scholarship to a student enrolled in the Technical Design Program at the local campus of the New Brunswick Community College.
- PSG contributes the expertise of its staff, on a pro bono basis, in the development of industrial design courses at the provincial community college, and in the teaching of an engineering design course at the local university, thus contributing in building the economic development capacity of the region through the training of highly qualified people
- Major upgrade of our racking system for the ACM products; all the new racking where done with recycled steel

TORONTO

- Reduced printer count from 14 to 7
- Significant reductions in printing documents, with savings of $5,000 per month, and reduction of paper usage
- Battery disposal program is still very much appreciated
- Annual cleanup of the surroundings of the PSG building, including in the adjacent wood section of a municipal park

ORILLIA

- Annual Spring Cleaning of a local road
- Kids Annual Christmas Party
- Annual fund raising event for the Canadian Cancer Society
- Providing food boxes to the local Food Bank
- Providing gift baskets for the local men's shelter

HEATH SPRINGS

- Toys for Tots, where toys are provided to children in need
- Regional Car Show, a community event where employees and local residents display their priceless cars and trucks; this event is the main fundraiser for the Toys for Tots
- *Movember* annual fund raising initiative
- Annual Family Day, where employees and their family go to the zoo or an amusement park, and thus enjoy quality time between family and friends

KNOXVILLE

- Monthly Newsletter, the *Green Up Knoxville*, focused on sustainable development activities
- Contribution to the UT Renewing Academic Commitment Scholarship
- Lunch & Learn events where professionals are invited to speak on sustainability issues, with a particular emphasis on healthy living
- Healthy Office Pot Luck Lunch
- Pedometer Challenges, where over a one week period, steps are counted to win a gift card
- Hiking for employees and family
- PSG employees help young students through the Tennessee State Scholarship Mentor Program

OUR RELATIONSHIP WITH THE ENVIRONMENT

PSG is committed to sustainable development and we are making conscientious efforts to reduce the ecological footprint of our manufacturing and business operations, and in the design of our signage products.

For economic and environmental reasons, notably in regards to climate change, there is a global trend towards low energy consumption equipment. In providing energy efficient signs, without loss of visual quality, we have worked on sign design and have made the shift towards LED technology for practically all our signs. We continuously work with LED manufacturers, along with our customers, to identify the best possible product configurations to provide quality, efficient lighting in the signs we manufacture.

In our continuous efforts to develop and proactively adopt industry best practice standards across our operations, rather than simply comply with regulations, we follow the requirements of various US States that have enacted provisions of the Interstate Mercury Education and Reduction Clearinghouse (IMERC) model legislation.

PSG recognizes the global trend towards reducing greenhouse gas emissions to curb the effects of climate change. This will affect the way we generate electricity, the way we consume energy, the way we produce goods and services, the way we travel and transport goods, among others. We have engaged in a company-wide project to assess our energy consumption and our carbon emissions and we are committed to working to reduce both of them.

Through a continuous improvement approach, our administrative processes have been shifting from paper-based to electronic-based. This reduces the need to print document, thus saving on the consumption of products, reducing greenhouse gas emissions, and simply put, being more efficient. Further, our printers are, by default, set to black and white, and double-sided printing. Color and double-sided printing is done by taking specific actions.

PSG currently has recycling programs for aluminum, steel, copper, wood, plastics, paint, oil, cardboard and paper; we use low VOC paints; and we have developed procedures, which include a Bulb Eater tube disposal system, for mercury disposal. Basically, where recycling is possible, we recycle.

We also follow regulations and industry best practices to dispose of all our waste streams, including transformers, ballast, wood, and others. When possible, such as for wood products, employees have first access, for personal usage, to the material being disposed or sent to industrial recycling facilities.

For our business operations, we use products made from post-consumer recycled material (paper, printer cartridges, etc.) when available. Similarly, all office waste that can be recycled (computers, electronic equipment, paper, printer cartridges, etc.) are disposed accordingly.

Climate change is an increasing concern for all. The sign industry is not indifferent to this issue. We have thus started to question ourselves about the impact of extreme weather events on the signs that we fabricate and that are installed on the sites of our customers. We are tracking occurrences of sign deficiencies in extreme wind conditions, and we are reconsidering the design of our signs and the attachments components of our signs to bases and to buildings. We intend to remain ahead of the curve on the issues of extreme weather events for the sign industry.

PREPARING OUR CORPORATE SUSTAINABILITY REPORT

Since embarking on our Sustainability Journey, PSG has voluntarily published three Corporate Sustainability Reports (CSR), in 2011, 2013 and 2016. Based on the recognized Global Reporting Initiative (GRI) Guidelines, these reports each covered our company's sustainable development activities.

This fourth Corporate Sustainability Report (CSR) has also been prepared on the basis of the Global Reporting Initiative (GRI) Guidelines. Therefore, this fourth CSR has been prepared in accordance to the best available reporting principles and practices.

The reporting period for this fourth Corporate Sustainability Report (CSR) covers the calendar years of 2017 and 2018, i.e. from January 2017 to December 2018; this period corresponds to a two year period since the publication of our last CSR.

Re-statements related to our previous CSRs have not been made in this CSR 2018.

The scope, boundaries and measurement methods in the preparation of the CSR 2018 are the same as our previous reports; thus there has been no changes in the scope and aspect boundaries for this report.

The boundaries for the CSR, and the materiality aspects in this report, are in conformity with the previous CSRs of Pattison Sign Group. An assessment of these boundaries and materiality analyses were made prior to preparing this report. While it was assessed that the boundaries and the materiality of the aspects are representative of the position of the corporation at this time, it is felt that a review should be made to extend the boundaries to report on, and to perform of revision of the materiality of the aspects relevant to the company for our next CSR.

The company Green Team determined the guiding principles of the Sustainable Development Initiative, the stakeholders of the initiative and the priority actions. The Green Team is composed of members, with representation from all regions, equal gender representation, and with members working in practically every level of the company.

The data and information needed to prepare the Corporate Sustainability Report is measured and compiled from different sources. Quantitative data is measured through formal tracking systems (such as labor related or financial data), or from surveys to our various facilities on specific data that is not formally tracked, notably for the various stories in the report.

Qualitative data is compiled from surveys to our various facilities and offices, and through our Green Team members. Moving forward, we are continuing to implement processes to better formally track all data that is relevant to the sustainability of the company.

Thus, as for our previous CSRs, this CSR was prepared by maximizing the usage of internal resources, with the assistance of a Sustainable Development Advisor, rather than calling upon external consultants who would have prepared a report without building the corporate knowledge base and with limited participation by PSG employees.

Consultation of our stakeholders is important, with a particular emphasis on our customers. We develop close working relationships with our customer-base, which can span decades. Through these relationships, and as our global partners also evolve on the basis of sustainability principles, we cover these issues on a practically continuous basis. We also tend to engage with our customers, and potential customers, during trade shows and meetings, where innovations are often discussed. As we move forward, we will further engage with our stakeholders to assess and adjust our areas of focus in regards to sustainability issues. We will also continue to enhance the dialogue with our stakeholders, notably to better identify the materiality aspects that are important for them.

The boundaries of the report have been set where PSG has direct control; they thus include the three owned manufacturing facilities, along with our Sales and Operational Offices in North America. While PSG has built a strong network of partners and has made significant efforts to create the necessary tools to properly manage this network of installation, service and manufacturing sub-contractors by implementing strict manufacturing and in-field protocols and guidelines, these important partners remain sub-contractors. They are not part of the company and as a result PSG does not have an ultimate direct control on them. Similarly, once a sign element is installed on a customer's premise, PSG has no control on the operation of the sign. Therefore, the boundaries for this Corporate Sustainability Report do not include installation and service crews and the operations of signs, or any manufacturing completed by agents. It is felt that the boundaries chosen represent the most significant sustainability issues under the direct control of PSG.

CONTENT INDEX – SUMMARY

GENERAL DISCLOSURES

ORGANIZATIONAL PROFILE

Name of the organization	3, 7
Activities, brands, products, and services	7
Location of headquarters	9, 12, 17
Location of operations	9, 17, 24, 50
Ownership and legal form	8, 18
Markets served	7, 17, 23
Scale of the organization	7, 10, 14, 15, 17, 23, 24, 37, 50
Information on employees and other workers	7, 17, 43
Supply chain	8, 24
Significant changes to the organization and its supply chain	5, 8, 10, 24
Precautionary principle or approach	24, 35, 44, 52
External initiatives	34, 35, 36, 46, 48, 49, 50, 51
Membership of associations	35, 36

STRATEGY AND ANALYSIS

Statements from senior decision-maker	4, 5

ETHICS AND INTEGRITY

Values, principles, standards, and norms of behavior	16, 21, 24, 35, 36, 38, 44, 45, 52, 53

GOVERNANCE

Governance structure	11, 12

STAKEHOLDER ENGAGEMENT

List of stakeholder groups	36
Collective bargaining agreements	42, 43
Identifying and selecting stakeholders	36, 53
Approach to stakeholder engagement	16, 24, 27, 28, 29, 30, 32, 33, 34, 37, 50, 53
Key topics and concerns raised	16, 24, 27, 35, 52, 53

REPORTING PRACTICES

Entities included in the consolidated financial statements	8
Defining report content and topic Boundaries	3, 5, 39, 53
List of material topics	37, 53
Restatements of information	53
Changes in reporting	53
Reporting period	3, 5, 6, 53

Date of most recent report	53
Reporting cycle	53
Contact point for questions regarding the report	2
Content index	54
External assurance	3

MANAGEMENT APPROACH DISCLOSURES

Explanation of the material topic and its Boundary	3, 36, 37, 40, 53
The management approach and its components	6, 16, 24, 35, 37, 38, 39, 40, 41, 45, 46, 50, 52, 53
Evaluation of the management approach	16, 24, 35, 37, 39, 42, 45

MATERIAL TOPIC DISCLOSURES

ECONOMIC

Proportion of senior management hired from the local community	38

ENVIRONMENTAL

Energy consumption within the organization	39, 40
Direct (Scope 1) GHG emissions	41
Energy indirect (Scope 2) GHG emissions	41
Other indirect (Scope 3) GHG emissions	41, 42
Non-compliance with environmental laws and regulations	41, 45

SOCIAL

New employee hires and employee turnover	43
Occupational health and safety management system	44
Hazard identification, risk assessment, and incident investigation	44
Occupational health services	30, 32, 33
Worker participation, consultation, and communication on occupational health and safety	32, 34
Promotion of worker health	30
Work-related injuries	44
Non-compliance with laws and regulations in the social and economic area	45

CORPORATE SUSTAINABILITY REPORT - 2018

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