




ENVIRONMENTAL, SOCIAL, & GOVERNANCE REPORT

2022



LAND ACKNOWLEDGEMENT



We offer this acknowledgment to honour Indigenous Peoples in the land now known as Canada, and to recognize our role in reconciliation.

In doing so, we honour the importance of the First Peoples and we recognize the need to create a more fulsome awareness of how the Indigenous ways of knowing and being shapes the history of our nation.

We believe in purpose-driven acts of truth and reconciliation that honour the original stewards of the lands we work on and within: the Treaty 6, 7, and 8 territories and the unceded territories in Alberta and British Columbia. We acknowledge

the many First Nations, Métis, and Inuit who have lived and cared for these lands for generations. We are grateful for the traditional Knowledge Keepers and Elders who are still with us today and those who have gone before us.

We make this acknowledgement as an act of reconciliation, expressed through gratitude, remembrance, and a humble commitment to learn, to grow, and to deepen our relationships and respect.



**ESG: THE
CONVERSATION
CONTINUES**

Through the Global Lens of ESG

2022 was a year of captivating discussions on the value, application, and future of ESG. Some conversations have been polarizing—and even contentious at times—with debates about how ESG should be measured, if certain aspects should be measured, and who should be responsible for measurement oversight. No doubt these important discussions will continue.

Our purview is quite simple. We believe businesses that incorporate ESG aspects within their operations will continue to outperform their peer groups in delivering stakeholder value. In our quest to seek new areas of opportunity, and to dominate the quest with full-service solutions, our focus on delivering these services with an ESG mindset and unique value proposition remained unchanged.

And it is our vision to remain an industry leader in this space.

In this third annual ESG report, we're demonstrating what ESG excellence looks like in action. Through the acquisitions of Inphase Electric & Controls and Exile Automation during this last fiscal year, we're also demonstrating the impact of our ESG mindset in new service areas. It is the robust—and voluntary—disclosure of our performance as we continue to set the standard for ESG performance in the energy services section. We are tremendously proud to model this approach for our peers—and many of our clients.

For us, this year has been one of significant growth, integration, and innovation. I suspect we will look back at this time as one of poignant evolution; a time when we stretched hard toward our potential.

In reading this report, there is a clear theme of our ambition: Our ambition to be an employer of choice through good governance.

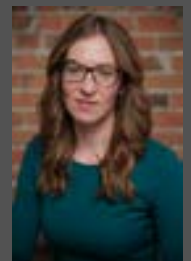
Our ambition to build capacity in our safety programs and our recruitment efforts. Our ambition to be part of critical projects within the energy transition. And, most importantly, to demonstrate that the relentless pursuit we're known for clearly extends to our ESG program.

We now offer our services through six Indigenous partnerships—a vision we've held for many years: a partner located in proximity to each of our branch locations. These partnerships include revenue sharing and economic development opportunities, as well as community initiatives and precedent-setting programming like the CDN Emerging Leaders program. Our focus on Indigenous engagement has now been formally validated through the Canadian Council for Aboriginal Business (CCAB) Progressive Aboriginal Relations (PAR) Committed Phase III certification, which we received in early 2023.

We are maturing our community investment programming to provide greater impact from our efforts by renewing our focus on measurable impact. We aspire to build community investment and sponsorship engagements that address global issues through local impact.

The future is bright in our industrial solar service, which has become a significant aspect of our business with a total of 267 MW of solar farms built in 2022. We continue to report on our greenhouse gas inventory, emissions reduction-related services, and internal activities to hold ourselves accountable for our own operational ESG performance.

We are fiercely proud of this work—and I am honoured to share in the results of our collective efforts. Onward.



Kinanâskomitin - Thank You
Jennifer Ezekiel, P.Eng.
VP, ESG & Strategy



**MEASURING
OUR MOMENTUM**

2021

ESG INITIATIVES

THE REPORT CARD

The context:

- We continue to explore the E0100™ certification.
- Indigenous cultural awareness was offered for all office-based employees in 2022. Now, a strategy is underway to expand to our field-based employees.
- To support the growth of women in trades, we continue to work with various industry associations to determine an authentic and measurable way to participate in this much-needed conversation.

- ✓ Annual ESG Report
- Equitable Origin E0100™ Certification ¹
- ✓ CCAB PAR Phase III Certification
- ✓ Solar Panel installation at CDN-owned branch locations
- ✓ Expansion of ESG-aligned service offerings
- ✓ Additional “CDN Emerging Leaders Program” offerings
- Indigenous Cultural Awareness Training for CDN’s entire workforce ²
- ✓ KPI for Indigenous Employment
- ✓ New Indigenous partnership(s) in key CDN service areas
- ✓ New strategic partnerships with key clients
- Creation or support of a Women in Trades initiative ³
- ✓ Annual GHG Emissions Inventory and Reductions Plan

THE UNITED NATIONS 2030 AGENDA

Global Challenge & Local Approach

The United Nations 2030 Agenda for Sustainable Development holds 17 Sustainable Development goals at its core. In their own words, this is our “global blueprint for peace and prosperity for people and the planet, now and into the future.”

At the heart of ESG is an imperative to rise to the challenge of these goals. All of us, regardless of our size or footprint, have a role to play and a responsibility to engage.



Our ESG strategy looks to participate in as many goals as possible through local impact, whether it be Quality Education (4) through our CDN Emerging Leaders Program, Zero Hunger (2) through our Fill the Trailer food drive, Reduced Inequalities (10) by increasing gender diversity in our sphere of influence, or Climate Action (13) by measuring our GHG impact, as examples.

Today, we're engaged in 13 of the UN's 17 Sustainable Development Goals.



**BY THE
NUMBERS**

INDIGENOUS PARTNERS

ASENIWUCHE
WINEWAK NATION

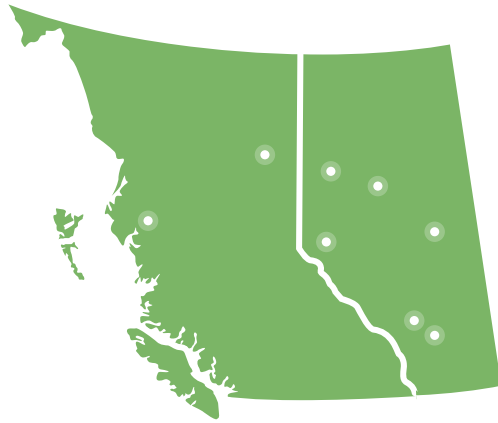
HALFWAY RIVER
FIRST NATION

KELLY LAKE
CREE NATION

KITSUMKALUM
FIRST NATION

PAUL FIRST NATION

TSUUT'INA NATION



9 BRANCHES

ALBERTA

Brooks
Calgary 2
Edmonton
Grande Cache
Grande Prairie
Valleyview

BRITISH COLUMBIA

Fort St. John
Kitimat

CDN

CONTROLS IS
12 YEARS
OLD

 **650**
PEOPLE

21% 

REDUCTION IN
NORMALIZED
EMISSIONS

Progressive Aboriginal
RELATIONS

Canadian Council for
Aboriginal Business



climatesmart

ACCOMPLISHMENTS

102 COMPANIES
CHOSE CDN
IN THE
LAST YEAR

DIVERSE FINANCIAL PERFORMANCE
OUR TOP 20 CLIENTS DELIVER
70% OF OUR ANNUAL REVENUE



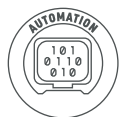
DRIVING REVENUE

- Construction 24.63%
- Major Projects 32.63%
- Maintenance 42.74%

AQUISITIONS

- 2014 COYOTE NORTH
- 2014 DALCO INSTRUMENTS
- 2021 INPHASE ELECTRIC & CONTROLS
- 2021 EXILE AUTOMATION

OUR SERVICES



EXILE
AUTOMATION
A MEMBER OF CDN

ANNUAL
REVENUE
THROUGH
INDIGENOUS
PARTNERSHIPS
18%

\$2.4
MILLION+
IN REVENUE
SHARING DIRECTLY
TO INDIGENOUS
COMMUNITIES

COMMUNITY INVESTMENT



\$134,335
BACK TO OUR
COMMUNITIES

LEADERSHIP KNOWS NO STEREOTYPE, WOMEN LEADERS LEAD:



- Communications
- Community Investment
- ESG
- Health & Safety
- Indigenous Partnerships
- People & Culture
- Strategy

13% OF OUR EMPLOYEES
ARE WOMEN

22% OF OUR SENIOR
EXECUTIVE ARE
WOMEN

15% OF OUR MANAGEMENT
TEAM ARE WOMEN

9% OF OUR EMPLOYEES ARE
INDIGENOUS





ENVIRONMENTAL



THE SCALE OF SOLAR

The Scale of Solar

As the commercial solar industry continues to grow, so too does our commitment to be an integrated aspect of financially viable, large-scale renewable energy projects.

In November 2021, we acquired Brooks-based Inphase Electric & Controls, signalling CDN's intentional engagement with the renewable industry and our expansion of operations into Southern Alberta. Under the leadership in Brooks, now our ninth branch location, CDN has made significant investments in equipment, infrastructure, tools, and teams to be part of the energy transition.

The vision of our renewable operations centers on efficiency – producing consistent, reliable products and delivering services with the smallest possible waste footprint and the highest degree of performance. We see our operational and material efficiency as both our environmental obligation and our commitment to smart, measurement-driven business practices.

What we know to be true: what's environmentally smart is also smart business.

Here's where our efforts become our advantage:

Modularizing - Fabricating in the shop and taking prefabricated units to the field reduces transportation costs, specifically bussing and transporting our workforce. This is a unique and precedent-setting solution for the industry, created by CDN.

Investing in Efficiency - This year, we invested in an additional 7,500 square feet of shop space to support our modularizing approach. We know future solar farms will be built in increasingly remote locations. Having the infrastructure to pre-build in-house will reduce our carbon footprint as these projects manifest.

Using Technology for Efficiency - Using software we've designed, we ensure the raw materials are used with the smallest waste footprint possible. To date, our raw material wastage is less than 3%—far outpacing the industry average.



Looking Forward

How can our solar services support Indigenous communities to transition from diesel power?

How can we localize our supply chain? Is there a financially viable path to use Canadian product on Canadian soil?

How can we increase use of solar solutions for our internal operations?

OUR FIELD CONSTRUCTION,
HARNESSING SHOP SERVICES
& PV WIRE SUPPORT TOUCHED

267 MW
OF CANADIAN
INFRASTRUCTURE
THIS YEAR ALONE



THAT'S
ENOUGH
ENERGY
TO POWER
35,600
HOMES



460,000

SOLAR PANELS WIRED
ON UTILITY SCALE
SOLAR PROJECTS

7,500 sq feet

COMPLETELY DEDICATED
TO PV HARNESSING



Climate Smart & Measurement Ready

Last year, we completed our inaugural greenhouse gas (GHG) inventory for the previous fiscal year. Although the nature of our operations do not result in significant direct emissions (as we do not own operating facilities, for example) we recognize the imperative to document and report on the GHG emissions that we do produce as an organization.

This is also an important future-focused exercise. Given we are an element of Scope 3 emissions for our clients, we know the day will come when our clients will require this data to accurately report their GHG inventory—and we are ready for this eventuality.

Consistent with last year's inventory, in this ESG report we are also reporting on the previous fiscal year (2021). The 2021 inventory was conducted using the emissions factors from the Radicle Balance Climate Smart greenhouse gas management tool. This tool was designed to adhere to the GHG Protocol—an internationally recognized standard published by the World Resources Institute and the World Business Council on Sustainable Development. It includes emissions factors from a variety of sources, including Environment and Climate Change Canada, the GHG Protocol Initiative, the U.S. Environmental Protection Agency, and the Intergovernmental Panel on Climate Change.

These factors are reviewed by Climate Smart annually and updated based on refined industry methodology and changing electricity grids.

For 2021 fiscal year, our total emissions increased by 9% but normalized emissions (using a metric of full-time equivalent employees and contractors) decreased by 21%. Given the majority of our inventory is associated with transportation, this change is largely due to a larger vehicle fleet related to company growth and the acquisition of two businesses within the 2022 fiscal year.

2022/2023 emissions reduction program includes:

Idling Reduction – Continue to reduce our total emissions, we will continue to place a strong focus on idling reduction, given vehicle driving and idling are significant contributors to the GHG inventory, in the “transporting people” category.

Building Upgrades – Continued replacement of older fluorescent lighting, programmable thermostats, occupancy sensors etc.

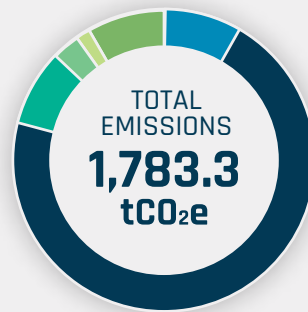
Utility Consumption Monitoring – Regular monitoring of electricity and heating use through utility providers to identify inefficiencies



COMPARED TO OUR 2020
BASELINE, WE CHANGED OUR
EMISSIONS BY:



TOTAL EMISSIONS FOR THE
2021 FISCAL YEAR BY ACTIVITY



- Scope 1 Heat
- Scope 1 Transporting People - Road
- Scope 2 Electricity
- Scope 3 Electricity
- Scope 3 Heat
- Scope 3 Transporting People - Road

WE ARE WORKING
TO REDUCE OUR
GHG EMISSIONS FROM:



**FLEET FUEL
CONSUMPTION**

OUR GHG EMISSIONS IN OUR
2021 FISCAL YEAR



*Source: EPA Green Gas Equivalencies Calculator

Our inventory includes Scope 1, 2, and 3 emissions for our business operations across all branches for the 2021 fiscal year. The inventory for both years has been normalized with the headcount for each year to enable a straight comparison year over year. Next year's ESG Report will include the GHG inventory for our 2022 and 2023 fiscal years, giving a fully reconciled GHG inventory years within our ESG reporting years.



Spotlight: **Methane Emissions Reduction Project**

Our instrumentation skills and services continue to position us in a space where we can support our clients with their emission reduction targets through device replacements and upgrades. As a partner to our clients, we continue to provide innovative and practical solutions that will meet both regulatory requirements and our clients' Scope 1 emission reduction goals. Last year, we completed more than 2,755 upgrades to low-bleed devices across 452 sites in Western Canada.



From Brooks to Broadway, and Beyond — Our Newest Branch Working in Some Usual, and Unusual, Spaces

Hydrogen & CO2

Air Company uses feedstock of CO₂, mixes it with hydrogen, and uses it to produce ethanol, methanol, vodka, fragrances, and even jet fuel. When they struggled to get their skid product to work, our team supported them to make it operational. In New York, we continue to provide support and equipment today.

Carbon Management

Industry experts from around the world visit the Carbon Management Canada (CMC) Research Facility to see the site, and to set up and test their CO₂ Specialized Sensing equipment, which detects and measures CO₂. It's a partnership between CMC, the University of Calgary, and the Canadian government. Not only did we construct this site in 2016, we continue to provide their E&I services today; operating the injection system, and working with international experts to install their specialized equipment.

Natural Gas & Steam

Rocky Mountain GTL uses natural gas and steam to produce Greener Synthetic Diesel, Naptha, and Wax. Our new Brooks team has been with this client since 2016. Today, we're proud to have constructed their plant and provide their E&I services.

Water Treatment

We provide E&I services for Newell Regional Water Corporation. Their fully automated water treatment facilities support Brooks, Bassano, Tilley, Duchess, and Scandia's water needs.





SOCIAL



**COMMUNITY
INVESTMENT**

Commitment to Community

What does it mean to invest in the places where we live, work, and play? To cultivate the truest and most influential forms of investment? The type of investment that lifts ideas into action, aspirational projects into their potential, and creates a type of change that is more than measurable—it's palpable.

Our view of community engagement remains steadfast: if we aspire to be a business of impact, then this spirit must be evident in our charitable impact. Our community work must be a natural extension of what we are as a business: forging meaningful connections, dynamic community partnerships, bold community engagements, and demonstrating sustained support as a committed partner.

For us, it's about mirroring the unrelenting pursuit of our business into community initiatives that enrich and improve the places we call home.

Over the last year, we have focused our community investment program on wellness; intentionally choosing investment opportunities where our support and

engagement increase the wellness of individuals, groups, and communities. This wellness focus is in alignment with our internal commitment to our people, which appears in many aspects of our ESG framework—and throughout this report.

To focus on wellness, there becomes a new imperative for measurement. How do we know these initiatives work? To what extent are we providing a measurable benefit? We believe it is this additional scrutiny that will allow us to partner with young, innovative, and new initiatives that reflect our corporate spirit.

In the next year, strategic work is underway to answer these questions meaningfully. Through the creation of a new framework, we've set our sights on an investment program that rises to the emerging needs of the communities where we operate.

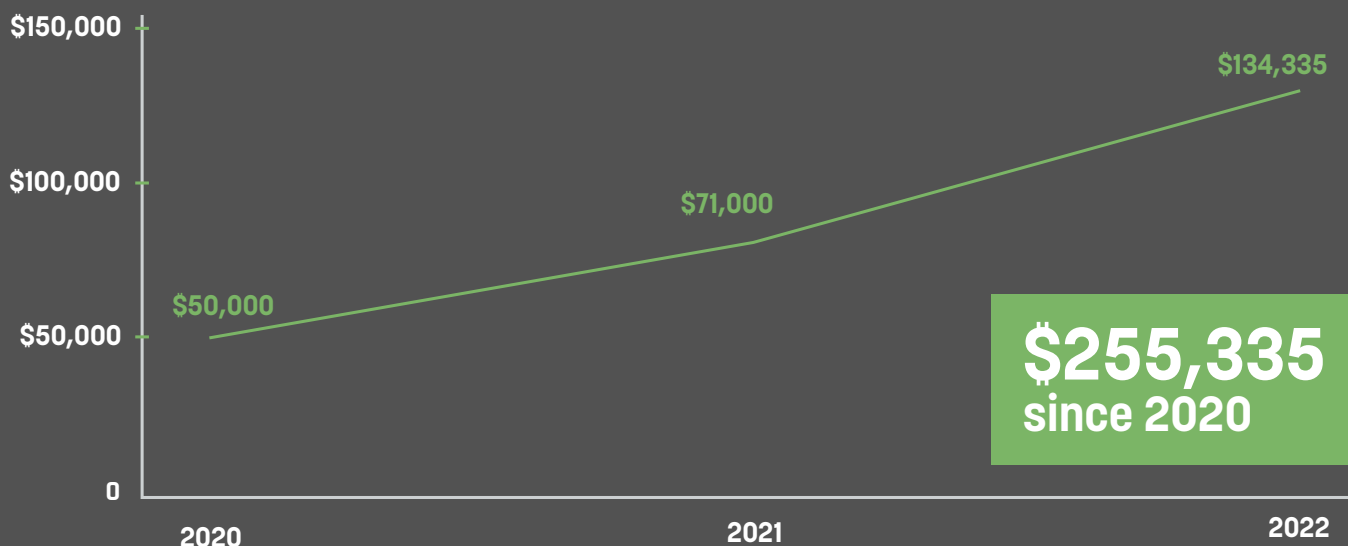
\$134,335

TOTAL DONATIONS THROUGH
COMMUNITY INVESTMENTS
AND SPONSORSHIPS IN
2022

\$140,301

TOTAL LOCAL PROPERTY TAX
PAID IN 2022

Community Investment Growth

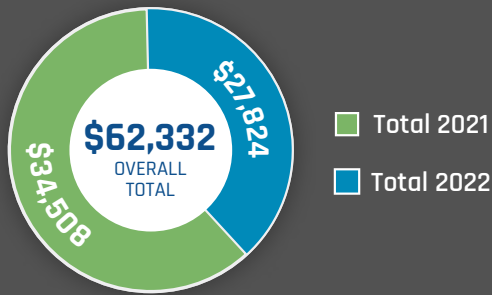




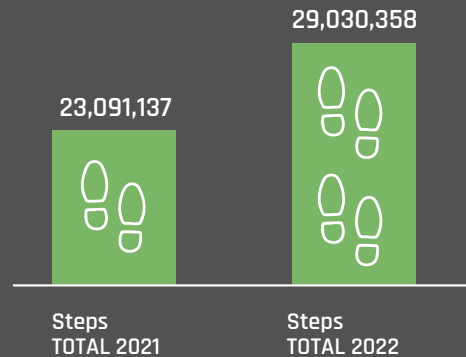
#ONETEAM

This is the mantra of our President and Co-Founder, Dean Fraser. **#OneTeam** embodies our core values, specifically “We win as a team.” Throughout the year, we put our collective efforts together in various internal community action campaigns.

United Way Campaign



Walker Tracker Employee Fitness Challenge



Fill the Trailer Food Drive

$$\begin{aligned}
 &*2,485 \text{ items} + \$2,485 \\
 &*6,343 \text{ items} + \$6,343 \\
 &= \$8,828 \\
 &= 8,828 \text{ items}
 \end{aligned}$$

DONATED IN THE
LAST TWO YEARS

*2021 TOTALS, *2022 TOTALS



\$14,500

Towards this initiative to support multiple CDN team members

**Spotlight:
Helping Hands Initiative**

Launched by our Fort St. John branch, this initiative allows us to be responsive to emerging and emergency needs that arise in our CDN community. Furthermore, it allows us to collect and distribute funds without the need for a third-party charitable agency, reflecting the agile nature of business operations: to step in rapidly to help and problem solve. Usually, we collect funds through a raffle of some kind, but often our employees offer support without being involved in the raffle at all.

To date, our employees have generously donated more than \$14,500 towards this initiative to support multiple CDN team members and their families in times of emergency or need.





Spotlight: Kitimat Bike Park

We are pleased to be a Black Diamond Sponsor for the Mount Elizabeth Cycling Association (MECA), a local non-profit society in Kitimat that works to establish, construct, and maintain a network of world-class mountain bike trails for all ages and abilities within the Kitimat Valley.

As they undertake the construction of these new trail systems, we're pleased to support this project; one that promotes healthy active lifestyles and contributes to a community where we have established operations. Currently in phase two of construction, MECA hopes to complete the Haisla Hill Trails and begin the design and construction of Kuldo Trails and the Coho Flats Loop soon. We believe the project will do wonderful things for the people of Kitimat and support local tourism.





SERIOUS ABOUT SAFETY

It's not enough to have a robust safety program. That's the industry expectation. It's table stakes. The cost of entry. The expectation. Where safety was once an act of regulatory compliance and systems management, today, safety programs must be an extension of our investment in our people—capacity-building practices that invest in our physical and mental readiness for work. This remains the past, present, and future lens of our health and safety program.

Measuring Our Safety Culture

For the first time ever, we measured our safety culture. We wanted to know if our people understood the vision of our health and safety program and if they felt it was reflective of how we address and resolve challenges and emerging threats to our business. Is our HSE program perceived as credible? How well do we communicate, collaborate, and share accountability inside our business?

Safety Culture, Defined:

Safety culture is a combination of the influence of how something is actually done in the workplace, rather than how it should be done.

Out of a possible
SCORE OF 100
in each category,
this is what
we heard:

84	RESOURCES Availability of staffed and knowledgeable safety resources to support objectives
84	HAZARD AWARENESS Level of awareness on how hazards are proactively identified, addressed, and communicated
83	REPORTING AND INVESTIGATING Consistency of reporting and investigating incidents, injuries or near misses
82	COMMITMENT Depth of commitment to safety in the workplace and trust in the leadership to respond to concerns
81	ACCOUNTABILITY Degree of personal responsibility, participation, and involvement in safety initiatives
81	PRIORITIES Consistency of prioritizing safety over productivity or cost and ability to stop work
81	COMPETENCY Level of training provided and qualification of the workforce to perform work safely
81	COMMUNICATION Effectiveness of communication and process of providing feedback to others on working safely

Learning Through Loss

In December, we lost a beloved member of our CDN family to a roadway accident. It was an unexpected and tragic loss only days before Christmas. While our priority has been to support our people and his young family, we also learned an unexpected lesson amid the collective loss.

We were profoundly moved by how our industry—both our clients and our competitors—came together as a community of support. Support was offered in so quickly, in so many ways—and was freely given. As we worked to respond, we learned a truth we had not expected to learn in such certain terms: that whatever safety plan, emergency response system, or crisis protocols we develop, it must be ready to be offered up as help to anyone in our industry who needs it. There will be no such thing as an industry-leading emergency plan in our business sector, only an industry—supporting one—one ready to help at any time.



HOP to it

Our HSE program has embraced Human and Organizational Performance (HOP) thinking. This is an approach that looks at creating more tolerant and risk-averse systems by putting human performance science at the center. To establish and sustain the strongest possible safety culture, our HSE program operates with a business-wide understanding that:

1. People make mistakes, so designing systems that withstand human error will prevent injuries.
2. Focusing any energy on blame is misused energy.
3. We must understand the context behind any incident. Root cause analysis to understand equipment failures, production demands, or worker fatigue will prevent future incidents. Learning from errors is paramount.
4. The way our leaders respond is vital.

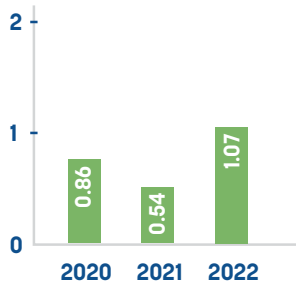
Over the next year, we'll see this thinking manifest in additional leadership training, further investments in good data collection, and the expansion of mental health training like psychological first aid alongside standard first aid.

The Rising Cost of Insurance

Like most, we share the additional burden of rising insurance costs. Through our robust safety performance and mitigation efforts, we have the most discounted insurance rates possible in Alberta.

We take pride in our claims management process, which is based on this universal truth: we don't want our people to be injured, but if they are, we take care of them.

TRIF



1.07
2022 TRIF
(TOTAL RECORDABLE
INCIDENT FREQUENCY)

2X
WE DOUBLED
OUR HSE TEAM
AND DIVERSIFIED
THEIR LOCATIONS
TO BETTER SERVE
OUR BRANCHES

CORE AUDIT SCORE
84%
FOR OUR CERTIFICATION AUDIT
WITH ACQUISITION OF
EXILE AUTOMATION

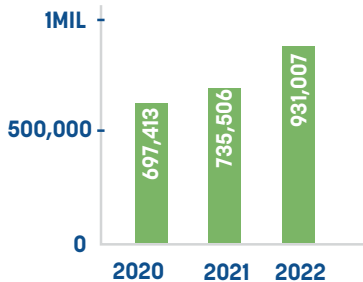


SAFETY STATS

HOW WE MEASURE
TRIF

**TOTAL RECORDABLE
INCIDENT FREQUENCY/RATE (TRIF)**
IS A MEASURE OF OCCUPATIONAL
HEALTH AND SAFETY
BASED ON THE NUMBER OF
SAFETY INCIDENTS REPORTED
AGAINST THE NUMBER OF
WORKERS PRESENT AND
THE NUMBER OF HOURS WORKED.

EXPOSURE HOURS



CHECKMARK 
ENERGY SAFETY CANADA
STANDARD ACHIEVED
- THE INDUSTRY'S HIGHEST STANDARD

NUMBER OF EXPOSURE HOURS:
931,007

LOST TIME SEVERITY:
LOST TIME FREQUENCY:
ENVIRONMENTAL CITATION ACTIONS: **0**



We have experienced an increase in our TRIF compared to previous reporting years. This is largely due to growth in the workforce with a larger volume of new and inexperienced workers. We continue to focus on safety programs that take a proactive approach with leading indicators for safety.



INDIGENOUS PARTNERSHIPS



**POWERED
BY PARTNERS**

Responsible Stewardship

For nine years, we have operated our business alongside Indigenous partnerships. That's 75% of our corporate life span spent intentionally and purposefully incorporating Indigenous engagement as a pillar of how we work. And it is today the same purposeful approach we apply to engage with Indigenous Nations as friends first and business partners second.

With two recently formed partnerships with Paul First Nation and Tsuut'ina Nation, we are humbled, honoured, and proud at the privilege to be formally partnered with six Indigenous Nations today. These partnerships are the culmination of a long-held vision to be partnered with an Indigenous Nation in the geography of every one of our branch locations. We thank the Kitsumkalum First Nation, Halfway River First Nation, Kelly Lake Cree Nation, Aseniwuche Winewak Nation, Paul First Nation and Tsuut'ina Nation for trusting us to learn alongside them, and collaborate on common goals and opportunities.

Through more than \$2.4 million dollars in direct contributions made to Indigenous communities as part of our skilled services work and community initiatives to-date, these relationships are having real and profound impact. We see this through improved infrastructure and services within communities, enhanced Elders support programming, education and training initiatives, crisis support programs, and enriched community events.

Looking forward, we will drive a substantial amount of annual revenue through formal Indigenous partnerships, with a goal of increasing this number year over year. In 2022, 25% of our annual revenue was via work completed through Indigenous partnerships, and in 2023 we have a target to increase this number to more than 30%. We are working closely with several clients to offer more CDN services through these partnerships and providing the ESG metrics for their own reporting purposes.

We take pride in the responsibility to steward, respect, and nurture these relationships. These partnerships are more authentic than a formal handshake and more meaningful than an annual shared revenue cheque. We will continue to develop long-standing and genuine relationships with the six Nations we are partnered with; sitting together to identify further ways we can support each community in their own aspirations for growth, self-reliance, and sustainability. We are invested in their community wellness, beyond the economic impacts.

The Indigenous engagement pillar of our ESG strategy is a journey—and one without a destination. Despite our engagement, we still have much to learn and many ways to evolve.

75%

OF CORPORATE
LIFE SPAN SPENT
INCORPORATING
INDIGENOUS
ENGAGEMENT

>\$2.4 Million

DOLLARS IN DIRECT
CONTRIBUTIONS
TO INDIGENOUS
COMMUNITIES

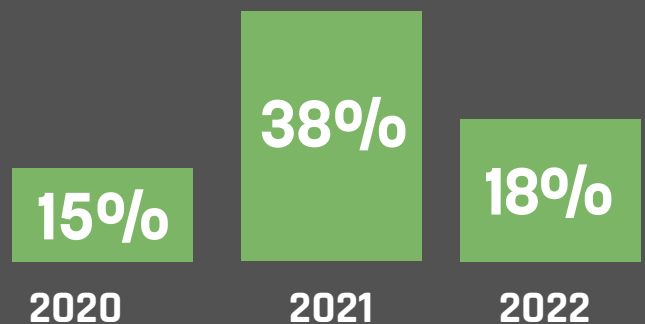
18%

2022 ANNUAL
REVENUE VIA
WORK COMPLETED
THROUGH INDIGENOUS
PARTNERSHIPS

30%

2023 KPI FOR
ANNUAL REVENUE VIA
WORK COMPLETED
THROUGH INDIGENOUS
PARTNERSHIPS

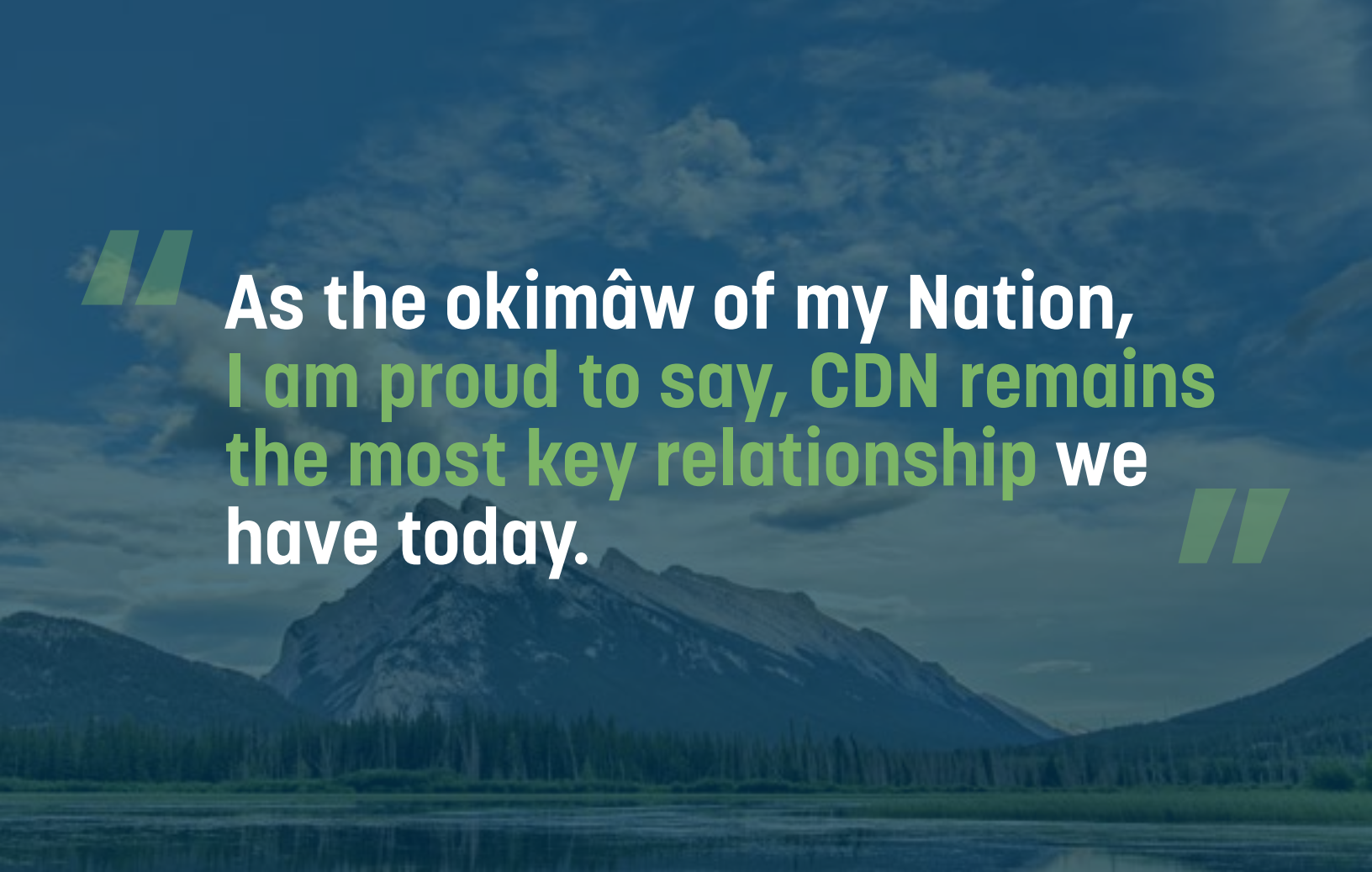
Annual Revenue Completed Through Indigenous Partnerships



The decrease in revenue directed through Indigenous partnerships between 2021 and 2022 was largely due to permitting challenges in northeastern BC, which led to a significant decrease in industrial construction and major projects activity in the region.



Image Credit: Chief Cliff Calliou of As'in'wa'chî Ni'yaw Nation



“As the okimâw of my Nation,
I am proud to say, CDN remains
the most key relationship we
have today.”

Introduction by Chief Calliou, Kelly Lake Cree Nation

“CDN has a proud history of working collaboratively with Indigenous peoples including Kelly Lake Cree Nation, otherwise known in the Cree language as the As’inî’wa’chî Nî’yaw Nation. This is reflected in several formal past projects we have been engaged in. Our partnership emphasizes not only a business-based relationship, but it has also supported Indigenous employment opportunities, training, and capacity building within our territory. CDN has a positive track record in working with Indigenous Peoples that is inclusive, and diverse. We feel blessed to be working with another part owned Indigenous company that is one of the most successful within our territory. CDN has a record of

success through working with transparency, honesty, trust, and respect. Their Indigenous relations teams acknowledge community concerns throughout all phases of our projects. They have helped train employees and work with our contractors to ensure they are sensitive to cultural protocols and respect cultural and spiritual values and practices.

As the okimâw of my nation, I am proud to say, CDN remains the most key relationship we have today.”

Chief Kwarakwante Cliff Calliou



**ASENIWUCHE
WINEWAK NATION**



**TSUUT'INA
NATION**



**KITSUMKALUM
FIRST NATION**



PAUL FIRST NATION



**KELLY LAKE
CREE NATION**



**HALFWAY RIVER
FIRST NATION**



220

INDIGENOUS CULTURAL
AWARENESS LEARNING

**>\$2.4
MILLION+**
IN
SHARING DIRECTLY
TO INDIGENOUS
COMMUNITIES



18%
REVENUE

THROUGH INDIGENOUS
PARTNERSHIPS (38% IN 2021)



\$11,000
IN GIFTS CRAFTED BY
INDIGENOUS
BUSINESS
ARTISANS



Halfway River
CDN Controls Ltd.

**MAJORITY-OWNED
INDIGENOUS BUSINESS
WITH HALFWAY RIVER
FIRST NATION**

**MORE THAN
\$39,000**
DIRECTED TO
INDIGENOUS COMMUNITIES
FOR COMMUNITY INITIATIVES & SUPPORT



SPONSORED LOCAL CULTURAL EVENTS & NEEDS



Powwows



Culture
Camps



Youth
Athletes



Drinking
Water



Round
Dances



Covid
Supplies



Safety
Equipment

Validating Our Value

We invested considerable energy to demonstrate our readiness to receive the PAR Committed Phase III certification from the Canadian Council for Aboriginal Business (CCAB). Today, we are thrilled to officially be one of only 40 businesses in Canada with this prodigious certification. These third-party endorsements are important as they validate that the work we're doing together within Indigenous communities—work that is tangible, meaningful, and having a positive impact.

In an era in which Indigenous engagement has most unfortunately become a “box ticking” exercise for many organizations, this third-party certification is most important to us. It provides a robust assessment and audit of our corporate commitment to Indigenous engagement, requiring performance metrics and improvement planning. We were required to complete a detailed assessment of our Indigenous workforce demographic, hiring and retention programs, support networks and procurement practices related to Indigenous-owned businesses.


Progressive
Aboriginal
RELATIONS



Canadian Council for
Aboriginal Business



PHASE 3



“ CDN Controls’ willingness to enter into formal partnerships with Indigenous communities is a significant marker of positive and progressive Indigenous Relations, so they are recognized for doing so. Acknowledging Indigenous partnerships as a pillar to their business in their ESG report—CDN Controls is demonstrating their real and serious commitment to positive and progressive Indigenous Relations. ”

- CCAB Verifier, Sandi Morrisseau



Spotlight: CDN Emerging Leaders Program

Last year, we continued the CDN Emerging Leaders Program, a precedent-setting initiative that brings leadership and communications training with an Indigenous world view, and offered without participation barriers to Indigenous communities. This program will continue to represent a mainstay of our Indigenous engagement strategy as we seek to offer it to other interested Indigenous Nations through 2023 and beyond.

With SAIT as our partner, the CDN Emerging Leaders Program participants develop foundational skill sets that will assist in the promotion into supervisory and leadership opportunities in Indigenous-owned community businesses and within industry more broadly.

SKILL BUILDING 101 PARTNERED WITH SAIT CDN EMERGING LEADERS PROGRAM



 **36**

Indigenous
Participants

 **704**

Person-Hours
of Training

 **24**

Participants
in the
Leadership
Stream of
Learning

81%

Completion
Rate

9

Industry
Supporters

"I have taken on a role outside of my comfort zone. It is scary but I feel I can joyfully finish this new job I am tackling, for the good of the children involved."

- **Lorraine Delorme, AWN program graduate**



COMMUNITY INVESTMENT:

**HALFWAY RIVER
FIRST NATION**



Not Our First Rodeo

For seven years we have been supporting the annual Halfway River First Nation Rodeo, through the Halfway River CDN Controls Ltd. partnership under the Halfway River Group of Companies. The event has grown into a full team effort (and one of our best team building experiences). You can find us helping with gate entry, the 50/50 draw, concession stands, full BBQ set-up, and a 100-person steak dinner that our team prepares.

This event is one of our favourite ways to give back into the community, connect with people, and enjoy the atmosphere of teamwork that's evident all weekend. An example of how the partnerships we hold with Indigenous Nations go well beyond a paycheque to meaningful, hands-on work.



Halfway River
CDN Controls Ltd.



1400
Hamburgers



700
Baked Potatoes



1400
Hot Dogs



700
Steaks

**SERVED BY CDN AT THE HALFWAY
RIVER FIRST NATION RODEO SINCE 2016**





Spotlight: Darreston Rohatinsky, Rodeo Sponsorship, Aseniwuche Winewak Nation

“CDN has been one of my major sponsors since the first time I went to the world finals in Las Vegas. Although I didn’t do well my first couple of years, they still stuck by me no matter what and now it is starting to pay off. Having CDN by my side from the beginning and remaining through the years kept giving me hope that I could make it somewhere. Now I’m starting to win rodeos and win jackpots, so I want to say thank you to CDN for always being there for me and my rodeo.”

Darreston began riding steers and junior bulls when he was just eight years old. Now 15, Darrenston still lives by the never quit attitude we’ve loved for years. He’s a four-time World Championship Junior Rodeo competitor and was top 10 in his age category in 2022.





AWN ARTISANAL INVESTMENT



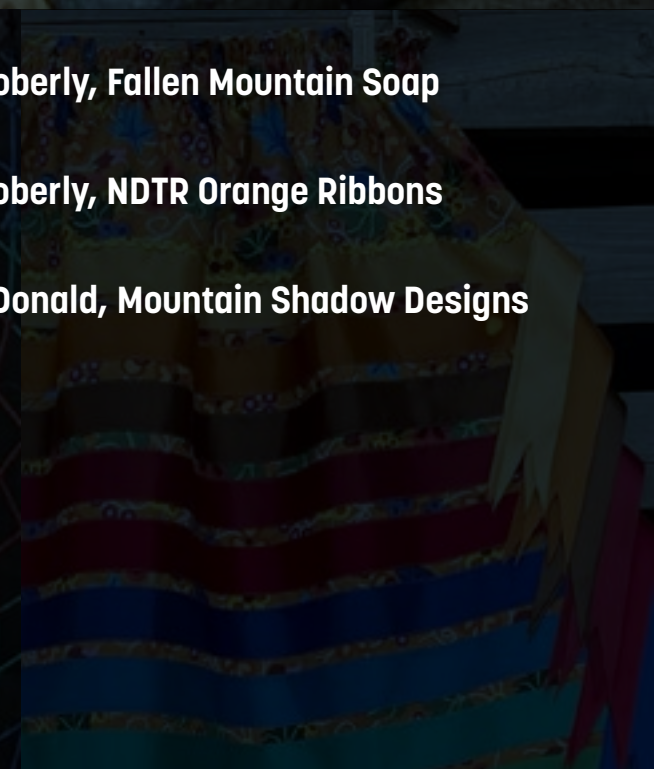
Where possible, we source client and employee gifts from Indigenous-owned businesses. In the last year, these talented AWN artisans crafted beautiful gifts for us.

Lauren Moberly, Fallen Mountain Soap

Selena Moberly, NDTR Orange Ribbons

Garry McDonald, Mountain Shadow Designs

\$11,000 Spent





**NATIONAL DAY
FOR TRUTH &
RECONCILIATION**



Art Contest

For this year's National Day for Truth and Reconciliation, we engaged the Indigenous communities that we are partnered with to participate in an art competition to feature a fitting design on our commemorative orange shirts and stickers. Interested Indigenous artists were asked to submit a design that represented their thoughts and feeling on what the day means for them, their community, and the Nation they represent.

The chosen design, from Faith Wanyandie of Aseniwuche Winewak Nation (AWN), is shown here. It was printed on t-shirts and stickers that were distributed to CDN's employees and clients to wear on September 30th.

"When I first heard about the 215 children found at the Kamloops residential school, I was very sad for these innocent children and their families. In the drawing, the eagle is guiding the children home, where there is no pain, fear, or suffering. At least these children are safe. Today I continue to pray for the families who had lost their loved ones to the schools, and for the survivors that they can heal from the trauma that the schools had cause them."

Faith Wanyandie, Artist

"On behalf of our NVA [NuVista Energy] team, thank you, it was such a nice surprise to receive the orange t-shirts from you all at CDN. I love the design and how it all came together through your Indigenous partnerships. It is a pleasure to partner with you and the CDN team. It's truly inspiring to see the work that you all do."

- **Tanya Dickison**, Director, HR and ESG Communications, NuVista Energy

" Thank you very much for the orange t-shirts. Very nice to see that CDN has great relationships and supporting our mutual Indigenous communities with meaningful initiatives such as this. We appreciate the kind and thoughtful gesture as we all share in our efforts to support proactive awareness for Indigenous peoples, on National Day for Truth and Reconciliation. "

- **John Devine**, Senior Advisor, Indigenous Economic Development, Pembina Pipeline Corporation

"We commend CDN's efforts in engagement of Indigenous partners to showcase their local artists and making meaningful connections in support of truth and reconciliation. We appreciate your forward-thinking initiatives and for including us as we honour this day."

- **Nicole Sagan**, ESG and HSE Coordinator, Pipestone Energy Corp








GOVERNANCE



**A PEOPLE-DRIVEN
BUSINESS**



The mission of our People & Culture team remains to attract, retain, and develop employees by implementing innovative and competitive people programs that drive a high-performing team fueled by an engaged culture. Now, in year two of a three-year strategic plan, the mandate is clear: invest.

- Invest in the development of our people,
- Invest in the perspective of our people,
- And invest in the resources to bring the best of the best of our industry into CDN.

We know a quota system will not work for our business. Counting people and checking boxes is not the vision of our leadership model. As a culture, and in this industry, we hire for performance, expertise, and a fit with our core values.



OUR VISION

A globally recognized business celebrated for our tenacious full-service approach and relentless pursuit of industry dominance and excellence.

OUR CORE VALUES



WE WIN
AS A TEAM



WE TAKE CARE
OF EVERYTHING



TALENTED PEOPLE
DRIVEN TO GROW



COMMITTED TO
EXCELLENCE



ACT WITH HONESTY
LOYALTY & RESPECT

Rather than a quota system, we ask, “where do we have diversity in the sphere of influence?” Today, women lead ESG, Strategy, Indigenous Partnerships, People & Culture, Recruitment, Communications, Community Investment, HSE, and IT Applications.

13% OF OUR EMPLOYEES
ARE WOMEN

22% OF OUR SENIOR
EXECUTIVE ARE
WOMEN

15% OF OUR MANAGEMENT
TEAM ARE WOMEN

9% OF OUR EMPLOYEES ARE
INDIGENOUS



Jennifer Ezekiel
VP, ESG & Strategy



Susan Borrows
VP, People & Culture



Jennifer Sanford
Director, Communications



Spencer Gagnon
Manager, HSE



Heather Hemsing James
Manager, People & Culture



Jasmine Hamdan
Manager, Application Solutions



Cultivating, Not Managing, People Leaders

52% of our leaders have been promoted into our 41-person management team. These are leaders with direct field experience, established client relationships, and the engrained sense of hustle that notoriously shapes CDN's brand. This is consistent with our core value *Talented People, Driven to Grow*, where we invest in those who have invested in us.

Now, it's time to further invest in tools and resources into developing our management team as accomplished, influential people leaders. We're well underway with additional training and development to improve mentorship, leadership, coaching, and communication. We're always mindful that our leaders inspire the potential of our people—and the next generation of CDN's leadership.

"I feel like everyone you talk to in the office used to be us. So that's nice that they understand where we're coming from if we come to them with issues whether it be personal or professional. They've been there before so they can speak to us in a way that we want to learn."

Brandon Kelly, Instrumentation Technician, Grande Prairie

52%

Of our leaders have been promoted into our **41-person** management team.



Can I Ask You a Question?

Quarterly, we survey our people to gauge their loyalty, satisfaction, and enthusiasm for us, their employer. We asked a series of questions to get to the heart of this one: how likely are you to recommend us to a friend or colleague? The result is our Net Promoter Score:



85%

Feel their direct manager's leadership is in line with our company values.



77%

Say we are client focused—and that's a great thing.



LENS ON LEARNING

Throughout the year, we engage thought leaders and experts to invest in our growth. These subject-matter experts provide direction and support in our continuous development as industry leaders.

"A group of leaders came together to dive into important topics. The first session focused on trust-building, maintaining and restoring it. The second session focused on organizational values and how to operationalize them into behaviors that are observable, trainable, measurable, and—more importantly—accountable to. Brené Brown states that less than 10% of organizations succeed in operationalizing their values. The work done by CDN required courageous conversations, putting aside of personal assessments, interpretations, and things the leaders felt they or others "should" know, do, believe, etc.

Values are what bind a culture together. This group of leaders didn't hold back in these important conversations. The group had conversations about real situations and real behaviors. In addition to learning to operationalize the behaviors that build trust and can bring CDN's values to life."

- Ila Edgar, Big Change Inc.

"SAIT Corporate Training has had the privilege of working with CDN Controls for the last three years on the creation and delivery of an Indigenous Leadership Program. ("CDN Emerging Leaders Program") The desired outcomes of the training were achieved through the diligence of their team in committing their support to SAIT and to the students taking the leadership program. Their involvement in various community events is not done out of obligation but from a place of genuine care and authentic engagement.

CDN's passion for lifting up Indigenous communities and preparing individuals with employable skills makes them the type of company people are proud to work for and attractive for partnership with other entities that share their common goal of improving the indigenous communities they work with."

- Lauren Bishop, SAIT



**THOUGHT
LEADERSHIP
IN THE SPACES
THAT MATTER**

CBSR is pleased to have CDN Controls actively participate in our first-ever cohort of the Sustainable Procurement Fellowship. The program brings together 40 high-profile business leaders with the goal of transforming their corporate value chains and delivering positive social and environmental impacts across the economy. Jennifer Ezekiel and CDN Controls have been valuable contributors to this made-in-Canada program.

- LEOR ROTCHILD, EXECUTIVE DIRECTOR, CBSR

Code of Conduct

This year, we introduced an ESG section of our standard pre-qualification documentation for subcontractors and vendors. This document asks those we work with to share their ESG reporting status, Indigenous workforce demographic metrics, Indigenous Inclusion and Engagement Policies, and detail on any formal Indigenous joint venture partnerships.

We believe this effort brings our commitment to ESG full circle—just as we work closely with our clients to provide ESG metrics and reports, so too will those who are part of our supply chain. As always, we'll continue to work closely with our subcontractors and vendors to increase their awareness of ESG considerations and ensure our ESG values are aligned.

CBSR

In 2022, the Canadian Business for Social Responsibility (CBSR) launched the Sustainable Procurement Fellowship. The program unites 40 sustainability leaders from across Canada in a wide range of industries and sectors to drive meaningful change and thought leadership through collaboration and co-creation.

Our VP of ESG & Strategy, Jennifer Ezekiel, was selected as an inaugural fellow for this exclusive and precedent-setting program. Given our unique role in sustainable procurement—acting as both a part of our client's supply chain and governing our own supply chain—this fellowship program becomes another important tool in our fulsome ESG journey, allowing us to continue our sector leadership in ESG performance.





CYBERSECURITY



Reducing risks to our business remains an important priority. This year, we implemented:

- Tools and processes to proactively manage vulnerability exposure within our network and IT infrastructure.
- On-premises identity synchronization with Microsoft 365 to create easier user account creation, login, and tracking. The integration between Office 365 applications and Windows user accounts has been enhanced, resulting in improved usability and better control over user access to files, services, and applications.
- Regular security audits and ongoing disaster recovery simulations to assess vulnerabilities in our infrastructure.











**A CONVERSATION
WORTH OUR TIME
& INVESTMENT**

The strategic decisions, the investments, and the achievements in this year's report are the result of how we value ESG work. Good ESG work is measurable; it's integrated into the vision of what CDN is becoming. Our ESG approach aims to be a masterclass of intentionality—always looking to create genuine value by thinking innovatively, offering tangible services that help, and recognizing our responsibility to participate, then to lead, then to shape the ESG conversation.

To CDN, it's understanding the difference between being the light that shines—and being the light that guides.



**Thank you,
Dean Fraser
President & Co-founder,
CDN Controls**



CDNCONTROLS.CA