

THINK BE GREEN

PATTISON
SIGN GROUP
CORPORATE
SUSTAINABILITY
REPORT - 2013



Think Green. Be Green.

Think Green. Be Green.

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PRODUCTION NOTES

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

Jacque Duguay, P.Eng.
Senior Director of Legal Services & Corporate Affairs

Pattison Sign Group
555 Ellesmere Road
Toronto, Ontario M1R 4E8
Canada

Toll Free: (800) 268-6536
Tel. (Direct): (416) 759-1111 x2426
jduguay@pattisonsign.com
www.pattisonsign.com

SCOPE OF THE REPORT

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

This report is consistent with the reporting practices of the Global Reporting Initiative (GRI) G3 Sustainability Reporting Guidelines. The report covers the period following the first Corporate Sustainability Report (CSR), i.e. the calendar years of 2012 and 2013. Pattison Sign Group (PSG) is committed to publish a Corporate Sustainability Report every two years. It is planned that our next CSR will follow the recently revised GRI's G4 Sustainability Reporting Guidelines.

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

**THE SELF-DECLARED
GRI APPLICATION
LEVEL IS B⁺.**



All dollar values in this report are Canadian dollars.

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 PSG with its review of the GRI G3 Reporting Framework, content and materiality of the report, and the selection of the incremental Performance Indicators to achieve a B⁺ Application Level. 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 relevant criteria.

MESSAGE FROM THE CHAIRMAN



Beyond being financially stable, companies must be conscious of their responsibilities to the environment and to the communities in which they do business. The Jim Pattison Group understands this concept and we put it into practice by concrete actions.

We are committed to continuous improvement by working with our divisions to eliminate waste, increase efficiency, protect our resources and run our operations with the long term in mind. Our operating divisions, through the continuous exchange of information and ideas, are dedicated to a common goal of caring for the future of our workplaces, our neighborhoods and the environment.

It is by focusing on these responsibilities that Pattison Sign Group has prepared its second Corporate Sustainability Report.

We are proud of the performance and success of Pattison Sign Group, which continues to exceed our expectations. These results are due to a focus on the long term development of the company, along with the support of our customers and the commitment and dedication of our employees.

Through the actions of our Sustainable Development Initiative, customers and employees benefit from working with a stable company, and communities benefit from the presence of a sustainable company that provides jobs, generates wealth and protects the environment. The preparation of our Corporate Sustainability Reports has allowed us to reflect on the way we operate our business, and the way we interact with society and the environment. The processes that we have put in place help us provide even better products and services to our customers, while being a responsible corporation.

More than ever, building on our bedrock values of integrity, customer satisfaction and quality, we are committed to doing our part to meet the on-going challenges of sustainable development.

Jim Pattison

Chief Executive Officer & Chairman
The Jim Pattison Group



**BEYOND BEING FINANCIALLY STABLE,
COMPANIES MUST BE CONSCIOUS OF THEIR
RESPONSIBILITIES TO THE ENVIRONMENT
AND TO THE COMMUNITIES IN WHICH THEY DO
BUSINESS."**

JIM PATTISON, VANCOUVER

MESSAGE FROM THE PRESIDENT



We are pleased to present our second Corporate Sustainability Report (CSR). Covering the calendar years of 2012-13, this report was prepared by our Green Team, composed of employees from all levels of the company, and covering all regions of Pattison Sign Group. It is a bottom up approach that brings great benefits to the company.

We have progressed significantly since the publication of our first CSR, and we have grown as a corporation. Preparing a CSR also has an interesting outcome: it allows us to think and talk about our social and environmental responsibilities as a corporation.

The world is changing, with important social and environmental challenges appearing on the horizon. At Pattison Sign Group, we don't claim that we will solve all these challenges. But as a corporation, we will make all possible efforts to continue to build a better world for us and for future generations.

Signs are more than a name or a logo, they convey a lasting and impressive brand image, differentiate businesses, and attract customers. Pattison Sign Group has always worked hard to build long term relationships with its own customers; we are committed in continuing to do this. This CSR helps us achieve this objective.

Our major strength is the quality of our employees, their teamwork and their continuous focus on the highest level of professionalism and dedication. Operating across the North American continent, we are proud of our employees for what they do for the company, but also for what they bring to their local communities.

In this report, you will find information and disclosures regarding our sustainability indicators. The large majority of the information is very positive and reflects the sustainable growth and success of our company over the past few years. We also are reporting some of the challenges we faced in the reporting period and how we have learned and grown from the related adversity. We take these lessons and apply what we have learned to improve ourselves for all our stakeholders; our employees and customers first and foremost.



PREPARING A CSR ALLOWS US TO THINK AND TALK ABOUT OUR SOCIAL AND ENVIRONMENTAL RESPONSIBILITIES AS A CORPORATION."

DON BELANGER, EDMUNDSTON

As we move forward, we will continue to work with and engage our employees on the journey to sustainable development. We think of ourselves already as a good corporate citizen. And, it is by developing a culture of sustainability that we are truly becoming a successful company.

Don Belanger
President
Pattison Sign Group



PATTISON SIGN GROUP

Pattison Sign Group is an industry leader and one of the largest signage and visual communication companies in the world. With roots and operating experience dating back to 1904, our mission is to provide our customers with complete turn-key physical branding solutions that offer the highest value, provide peace of mind and maximize their brand promise.

The main activities of Pattison Sign Group are the design, manufacture, project management and marketing of a complete range of visual communication products and services. Our line of products includes illuminated and non-illuminated signs, LED illumination, LED electronic displays and communication systems, highway spectaculars, awnings, canopies, billboards, menu boards, interior signage, and various on-premise advertising 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.

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.

With more than 800 dedicated employees, 4 state-of-the-art manufacturing facilities, and 12 strategically located Sales and Operations Offices throughout North America, Pattison Sign Group not only manufactures thousands of quality signage elements every year, but also leases and maintains over 25,000 signs.

During the reporting period, Pattison Sign Group acquired Davis Neon, based in Heath Springs, South Carolina, almost doubling our manufacturing capacity and increasing the number of employees in the USA. With the closing of one Sales Office (Saskatoon), the transfer of another from Phoenix to San Diego, and the expansion of our Sales and Operations Office in Knoxville, Tennessee, our sales personnel are strategically located to efficiently serve our customers across North America. For their parts, our Field Operations for the Western Region and the Toronto location have been restructured, while our Calgary facility has been transformed in a Sales and Operations Office.

No other changes in regard to the size of the corporation, its structure and its ownership were experienced during the reporting period.

PATTISON SIGN GROUP FACILITIES



 **US HEAD OFFICE:**
KNOXVILLE, TENNESSEE, USA

 **CANADA HEAD OFFICE:**
TORONTO, ONTARIO, CANADA

 **MANUFACTURING FACILITIES:**
EDMUNDSTON, NEW BRUNSWICK, CANADA
HEATH SPRINGS, SOUTH CAROLINA, USA
ORILLIA, ONTARIO, CANADA
PENTICTON, BRITISH COLUMBIA, CANADA

 **SALES AND OPERATIONS OFFICES:**
BRISTOL, CONNECTICUT, USA
BURLINGTON, ONTARIO, CANADA
CALGARY, ALBERTA, CANADA
EDMONTON, ALBERTA, CANADA
EDMUNDSTON, NEW BRUNSWICK, CANADA
KNOXVILLE, TENNESSEE, USA
MONTREAL, QUEBEC, CANADA
OTTAWA, ONTARIO, CANADA
SAN DIEGO, CALIFORNIA, USA
TORONTO, ONTARIO, CANADA
VANCOUVER, BRITISH COLUMBIA, CANADA
WINNIPEG, MANITOBA, CANADA

CORPORATE GOVERNANCE

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

The members of the Corporate Management of Jim Pattison Industries Ltd. do not have an executive role within Pattison Sign Group.

The Management Team at Pattison Sign Group remains relatively stable, with positions usually filled by promotions from the pool of employees. More specifically, during the reporting period, the following changes occurred at the different levels of the Management Team.

Two employees were promoted to Senior Management positions, while the remaining Senior Management Team remained unchanged.

With over 800 employees across North America, along with many subcontractors, it was concluded that more attention should be placed on providing legal, human resources and risk assessment support to the Senior Management Team. In application of the precautionary principle, a new Senior Director position was thus created to oversee the Legal Services and Corporate Affairs at Pattison Sign Group. This position is occupied by a senior employee of Pattison Sign Group.

At the operational management level, one operational director was promoted to a Senior Management position, while two operational director positions were created for the US operations and for the automotive sector. For its part, the Western Region has seen a new Director of Operations, who is a new employee hired locally.

In Finance and IT, three long serving members were promoted in their current positions, while two other senior positions were created: one position was filled by a promotion from within the company; the second position was filled by a new employee.

Resulting from an overall revision of the sales strategies, the team of Sales Directors saw significant changes during the reporting period. Composed of six members in 2011, the team is now composed of five members. Except for one position which was filled by a new employee, three new Sales Directors were promoted from within the company, while the Director, New Business Development has remained in position.

SENIOR MANAGEMENT

With Head Offices in Toronto, Canada, and Knoxville, Tennessee, for its US operations, the governance of Pattison Sign Group is assured by a Senior Management Team, composed of the following members, who are all employees of the corporation:

DON BELANGER

President

Edmundston, New Brunswick

RICK MACINA

Senior Vice President and Chief Financial Officer

Toronto, Ontario

ROBERT CORSETTI

Vice President Operations

Toronto, Ontario

RON SLONE

Vice President/General Manager - US

Knoxville, Tennessee

LUCE LAVOIE

Senior Director of Business Analysis & IT

Edmundston, New Brunswick

MARCO CALABRETTA-DUVAL

Director of Finance

Toronto, Ontario

JACQUE DUGUAY

Senior Director of Legal Services & Corporate Affairs

Toronto, Ontario

DIRECTORS OF OPERATIONS

The Directors of Operations are responsible for leading the various operational departments across Pattison Sign Group. This includes delivering the required balance of operational excellence, product quality, responsiveness, and new product commercialization in a safe and collaborative working community. With a mandate of ensuring excellent customer service. The Directors of Operations include:

DANIEL LAPLANTE

Director of Operations, Eastern Region
Edmundston, New Brunswick

KIM BRUMWELL

Director of Operations, Central Region
Toronto, Ontario

BRIAN WALL

Director of Operations, Western Region
Penticton, British Columbia

JAMIE DAVIS

Director of Operations, US Region
Heath Springs, South Carolina

FINANCE & IT

The Finance 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. They include:

VINCE SANTAGUIDA

Director of Leasing
Toronto, Ontario

JACQUES MORIN

Director of Business Analysis
Edmundston, New Brunswick

GRACE MIGLIORE

Controller
Toronto, Ontario

NATHALIE GAGNON

Director, Cost Analysis
Toronto, Ontario

CHRISTIAN DUGUAY

National Director IT
Edmundston, New Brunswick

SALES DIRECTORS

The Sales Directors are responsible for leading Sales Teams in various parts of the North American marketplace. The objectives of the Sales Management Team are to develop a world-class sales organization by fostering existing customer relationships, creating new opportunities, and implementing our go-to-market strategy to ensure continued growth for Pattison Sign Group. They include:

STÉFANO DI GIROLAMO

Director of Sales and Operations Montreal and Ottawa Offices, Eastern Region
Montreal, Quebec

LOUISE MAZZOTTA

Sales Manager, Central Region
Toronto, Ontario

ANTHONY HOLLYOAK

Senior Director, New Business Development
Toronto, Ontario

DARREN SPENST

Sales Director, Western Region
Vancouver, British Columbia

PAUL J. MARTIN

Director of Sales & Marketing
Knoxville, Tennessee



OUR PARENT COMPANY

THE JIM PATTISON GROUP (2013 DATA)

SALES: \$8.1 BILLION

WORLDWIDE LOCATIONS: OVER 500

EMPLOYEES: OVER 36,000

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

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 EMPLOYS OVER 800 EMPLOYEES.

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

PSG ACQUIRED AN ADDITIONAL MANUFACTURING FACILITY IN SOUTH CAROLINA, THUS INCREASING SIGNIFICANTLY OUR US EMPLOYEE BASE AND DOUBLING OUR MANUFACTURING

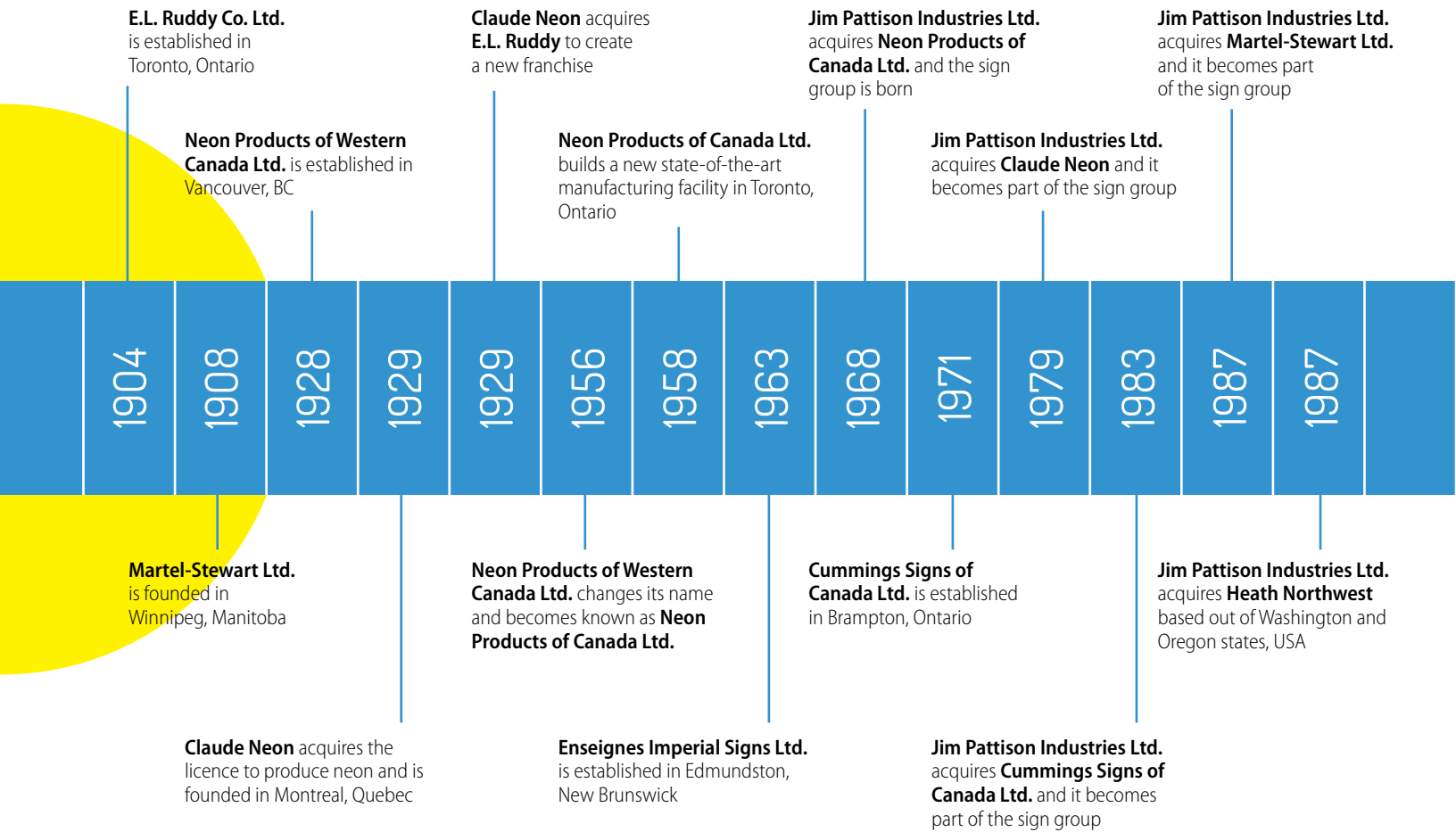
SURFACE AREA. PSG HAS OVER 300,000 SQUARE FEET OF MANUFACTURING FACILITIES.

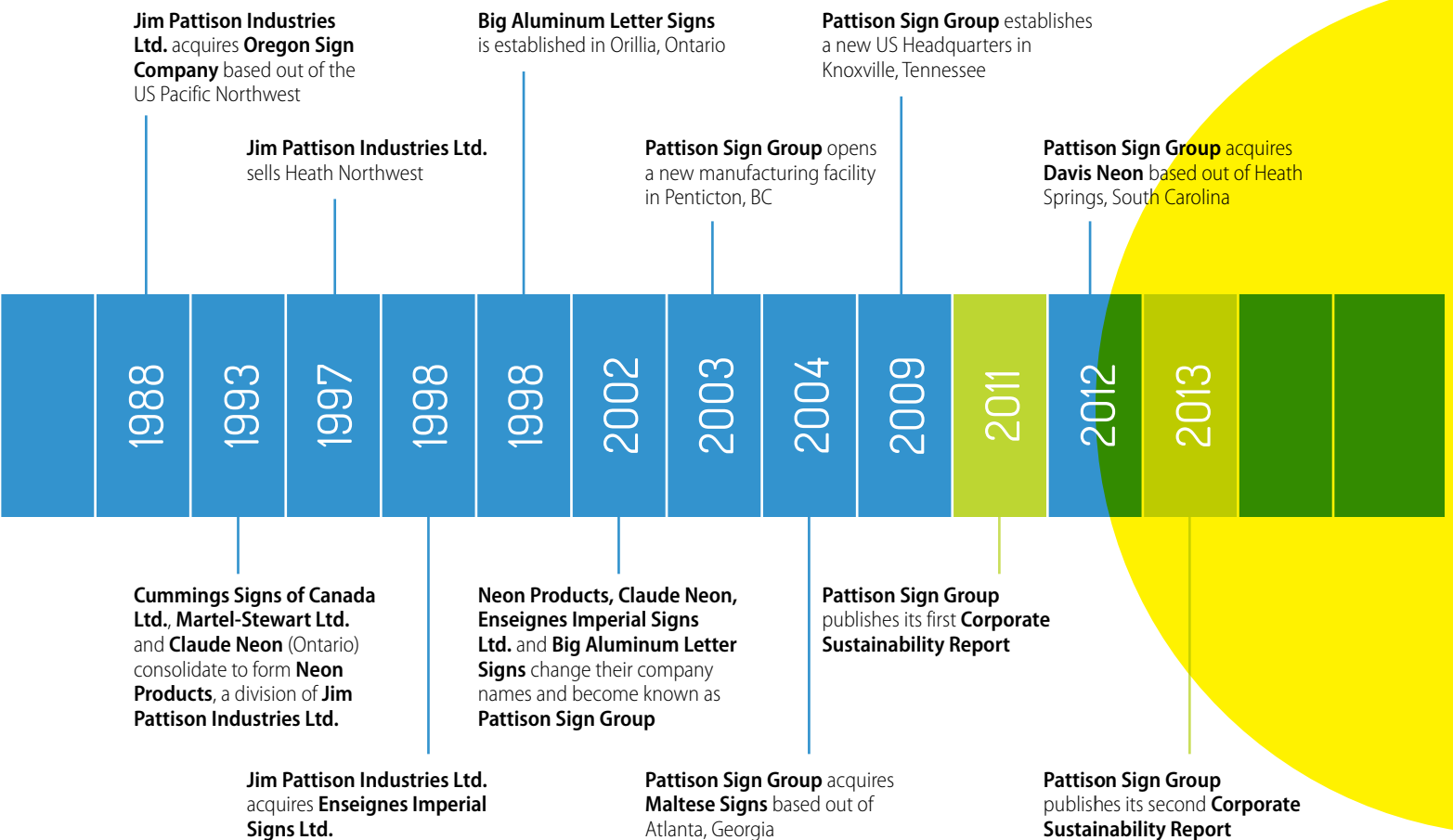
PSG HAS 12 SALES AND OPERATIONS OFFICES THROUGHOUT NORTH AMERICA.

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

PSG HAS A TOTAL QUALITY MANAGEMENT PROGRAM IN PLACE.

A RICH HISTORY IN THE SIGN INDUSTRY





WE HAVE A LONG HISTORY. WE EXPECT TO HAVE A LONG FUTURE.



MISSION STATEMENT

TO PROVIDE OUR CUSTOMERS WITH COMPLETE TURN-KEY PHYSICAL BRANDING SOLUTIONS THAT OFFER THE HIGHEST VALUE, PROVIDE PEACE OF MIND, AND MAXIMIZE THEIR BRAND PROMISE. WE ACCOMPLISH THIS THROUGH TEAMWORK, TRUST, INTEGRITY, CREATIVITY, AND OUR COMMITMENT TO SUSTAINABLE DEVELOPMENT.

CORE VALUES

INTEGRITY

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

CUSTOMER SATISFACTION

WE ARE TOTALLY COMMITTED TO EXCEED OUR CUSTOMERS' EXPECTATIONS.

QUALITY

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



OUR CUSTOMERS

Pattison Sign Group continues to service a wide range of companies, both local and international, as their supplier of choice for their sign solutions in North America. Through our international partnerships, we also have the ability to service global clients in Mexico and Puerto Rico.

Through the years, Pattison Sign Group has delivered projects to some of the largest, well-known companies in various industry sectors, such as:

AUTOMOTIVE	ENTERPRISE RENT-A-CAR FORD GENERAL MOTORS HONDA HYUNDAI JAGUAR LAND ROVER KIA POLARIS / VICTORY TOYOTA VOLKSWAGEN	RESTAURANTS	A&W EARL'S RESTAURANTS McDONALD'S RESTAURANTS OF CANADA RUBY TUESDAY'S ST. HUBERT RESTAURANTS TGI FRIDAYS THE KEG RESTAURANTS
BANKING	BB&T BDC BMO BANK OF MONTREAL ENVISION FINANCIAL JP MORGAN CHASE MONEY MART MORGAN STANLEY NATIONAL BANK RBC TD CANADA TRUST VANCITY	RETAIL	ABERCROMBIE & FITCH BEST BUY CIRCLE K COUCHE TARD HOME DEPOT JEAN COUTU LONDON DRUGS LUSH FRESH HANDMADE COSMETICS MAC'S NORDSTROM RACK REITMANS SAVE ON FOODS SERVICE KING TARGET THE SOURCE BY CIRCUIT CITY UNIVISION WALMART CANADA
GOVERNMENTS	CANADA VARIOUS NORTH AMERICAN CITIES		
HOTELS	BEST WESTERN CHOICE HOTELS INTERNATIONAL DELTA FAIRMONT HOLIDAY INN SHERATON	SERVICE INDUSTRY	CHARTWELL DELOITTE FEDEX HARTFORD HEALTHCARE KPMG PWC
PETROLEUM	HUSKY IRVING PETRO CANADA ULTRAMAR	TELECOM-MUNICATIONS	BELL CENTURY LINK CLEARWIRE ROGERS TELUS T-MOBILE

A LEADER IN THE SIGN INDUSTRY

Pattison Sign Group has been providing physical branding solutions to industry leaders for over 100 years. We've pioneered and developed most major sign innovations for over a century and have a comprehensive Research and Development Department to keep us on the leading edge of the industry today. With a customer-centric innovation approach, 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.

During the reporting period, except for an infraction regarding a contractor licence in the State of Louisiana where we pleaded no contest and received a relatively minor fine, Pattison Sign Group complied with all laws and regulations in every jurisdiction we operate. Further, we did not have legal actions for anti-competitive behaviour, anti-trust, and monopoly compliance.

Also, Pattison Sign Group was in compliance with all requirements, regulations and voluntary codes concerning product and service information and labelling. Furthermore, Pattison Sign Group did not receive fines for not complying with laws and regulations concerning the provision and use of products and services.

Pattison Sign Group believes that success and sustainability are only possible through constant innovation. 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 Pattison Sign Group on the leading edge of technical innovation, integrating significant benefits to our manufacturing processes and environmental performance. As a result, we integrate a wide range of manufacturing techniques to produce an impressive 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 with regards to quality and sustainability. As a result of Pattinson Sign Group 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.

PARTNERS

With a network of installers growing each year, Pattison Sign Group establishes quality partnerships throughout North America. We have created and implemented some of the most strict installer policies in the industry, with stringent processes to ensure 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 any of our products. Emphasis is placed on 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 excellent levels of customer service, Pattison Sign Group has developed an Installer Network Management system where installers are rated according to several indicators: deadline fidelity, installation quality, accessibility, invoicing and pricing extras.

We are committed to continue to work with our partners regarding best practices that contribute to sustainability.

CUSTOMER SATISFACTION SURVEYS

Pattison Sign Group has always focused on the needs of its customers. Beyond the standard consultation processes with customers, we have developed proprietary consultation methodologies that have provided, through the years, key differentiators that improve the customer experience. More than ever, Pattison Sign Group is committed in continuing to regularly survey and consult its customer base in order to understand their changing needs, but also to be able to produce signs that meet sustainability requirements.



FACILITY BRANDING

Facility branding is the most cost-efficient methodology we have developed for complete re-branding of facilities. Using the existing building structure and envelope, external elements are added to dress a building. Not only is this cost-efficient, it is usually the most environmentally-friendly approach to give a new face to a building.



**PSG'S SUSTAINABLE DEVELOPMENT
INITIATIVE ALLOWS US TO...**

**CONTINUOUSLY PUSH THE FRONTIERS OF
KNOWLEDGE AND INNOVATE IN THE DESIGN
AND THE MANUFACTURING OF SIGNAGE."**

DANIEL LAPLANTE
DIRECTOR OF OPERATIONS, EASTERN REGION

AWARDS

CORPORATE AWARD

FOREIGN-OWNED EXPORTER AWARD 2013

NEW BRUNSWICK EXPORT AWARDS

*Government of New Brunswick and Canadian Manufacturers and Exporters
Moncton, New Brunswick, Canada*

Recognition for the contributions of Pattison Sign Group, as a corporation with ownership outside of the province, to the provincial economy of New Brunswick, Canada.



AQIE SIGN CONTEST AWARD

2013 OUTSTANDING DESIGN EL AZTECA MEXICAN CUISINE

*Quebec Association of the Sign Industry
Montreal, Quebec, Canada*



A&W VENDOR AWARD OF EXCELLENCE

PATTISON SIGN GROUP HAS RECEIVED A&W'S VENDOR "AWARD OF EXCELLENCE" IN 2012 AND 2013

North Vancouver, British Columbia, Canada



INDIVIDUAL AWARDS FROM THE JIM PATTISON GROUP

While being a global corporation, The Jim Pattison Group operates with the same values as small, down-to-earth companies. One of these values is employee recognition. The Chairman, and owner, Jim Pattison makes it his duty to recognize the achievements and contributions of his employees. Furthermore, The Jim Pattison Group presents annual awards at its corporate Partners in Pride Conference. For the period covered by this report, Pattison Sign Group employees were recognized with the following awards.

SPECIAL ACHIEVEMENT AWARD (2011)

Anthony Hollyoak, Senior Director, New Business Development (Toronto), and **Rick Macina**, Senior VP and CFO (Toronto), for the extraordinary teamwork they displayed in bidding on and securing the largest contract in Pattison Sign Group's 100 plus-year history.

Rick Macina and Anthony Hollyoak



PRESIDENT'S AWARD (2012)

Each year, the President's Trophy is awarded to the CEO of a division of The Jim Pattison Group who demonstrated a truly outstanding performance. In 2012, the award was presented to **Don Belanger**, President (Edmundston), for the excellent operating record of Pattison Sign Group and for his leadership qualities.

OUTSTANDING MANAGEMENT AWARD (2013)

Don Belanger, President (Edmundston), for the success of Pattison Sign Group through increased market share, expanded manufacturing capacity, expanded supply relationships and leadership in the industry through the introduction of innovative new products.

PERSONAL ACHIEVERS (2011)

Louise Mazzotta, Sales Manager (Toronto), for her role as the lead manager and for her consensus building efforts on PSG's software upgrade project.

Ron Slone, General Manager (Knoxville), for his experience, dedication and commitment to excellence in the successful start-up of the PSG Knoxville Office.

PERSONAL ACHIEVERS (2012)

Donald Bard, R&D Technician (Edmundston), for his ongoing commitment to provide solutions and new ideas to improve our processes and products.

Nikki Boechler, Project Coordinator (Penticton), for her dedication and leadership role in managing some of the largest accounts in the Western Region of PSG.

PERSONAL ACHIEVERS (2013)

Laura Beardsley, Team Leader GM-FI Signage (Knoxville), for the kind of dedication and commitment to excellence that we seek from our team leaders.

Lisa Del Medico, Lease Analyst (Toronto), for being instrumental in growing the lease portfolio and supporting new business through attention to details and her commitment to excellence.

OUR JOURNEY TO SUSTAINABLE DEVELOPMENT

Pattison Sign Group 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.

The risks of not engaging in sustainable development initiatives are substantial for all corporations. In this respect, Pattison Sign Group is conscious of the risks that could affect its long term viability. We have thus created a corporate Green Team, who is responsible for this dual mandate: to provide the continuous direction and define the specific actions necessary to reach the objectives of the PSG Sustainable Development Initiative; and to become a champion of sustainable development and be accountable for the sustainable development actions and activities in their respective facilities and region. It is also one of the reasons why we recently created a Senior Director position specifically to address sustainability issues.

In this context, 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 opportunities this presents is in the need to find a balance 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, Pattison Sign Group 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 in a proactive way with our customers to ensure that we remain ahead of the curve in regards to their sustainability requirements.

Another important sustainability challenge is related to the transportation of our products to the installation sites. While we have manufacturing facilities across North America, it remains that the transportation of our products has a significant ecological footprint. Future Corporate Sustainability Reports will document the impacts of the transportation of our manufactured products to installation sites, and will highlight what is being done to minimize the ecological footprint of this aspect of our operations.

As a corporation, we subscribe to the main externally developed charters or principles, such as ISO (International Organization for Standardization), CSA (Canadian Standards Association), UL (Underwriters Laboratories), CWB (Canadian Welding Bureau), COR Certification (Certificate of Recognition), and OHSAS (Occupational Health and Safety Advisory Services). Similarly, we are a member of the ISA (International Sign Association), SAC/ACE (Sign Association of Canada/Association canadienne de l'enseigne), and of most Chambers of Commerce and economic development agencies where we have manufacturing facilities and offices. We are committed to performing an assessment of the various externally developed charters and principles to which we subscribe, along with the various organizations in which we are a member. A specific policy will be developed to guide the company in selecting its various endorsements and memberships.



Our external advisor on the preparation of this CSR, Dr. Yves Gagnon, likes to say: "One century ago, prosperity was achieved by finding gold or oil in the ground. Today, prosperity is achieved by having access to highly qualified and highly skilled people." Our Sustainable Development Initiative is a way for Pattison Sign Group to maintain and attract competent employees who believe themselves in the values of sustainable development and want to be part of an organization that shares those values.

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 ensure 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 Senior Management 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 FOR OUR CSR

The preparation of a Corporate Sustainability Report provides an opportunity to take a step back and look at our corporation through different lenses and filters. We feel that the corporation has grown from the preparation of our first CSR, along with the underlying adjustments made in our business operations.

This second CSR is prepared with the same overall objectives:

- Provide a framework to document the triple bottom line of PSG (economic, social and environmental performances);
- Provide a framework to analyse 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.

Since the activities of PSG impact them directly, the main stakeholders of our Sustainable Development Initiative, and this Corporate Sustainability Report, are:

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

SUSTAINABLE DEVELOPMENT SESSIONS FOR EMPLOYEES

Sustainable development is about the future of Pattison Sign Group; but it also concerns the future of our employees and the communities where we play an active role. Effective sustainable development approaches involve building the knowledge base of employees in regards to sustainable development.

We have engaged in a process where all employees of Pattison Sign Group will attend a training session on sustainable development, where general concepts are presented, and where we show the linkages to our operations. Following the presentations, held on-site in meeting rooms or inside the manufacturing plants, all participants are requested to answer an anonymous questionnaire that measures their level of satisfaction in regards to the session and, most importantly, that asks employees for ideas to reduce the ecological footprint of the company and their own ecological footprints at home. These ideas are compiled and prioritized by the Green Team to provide the future direction of our Sustainable Development Initiative.

Ultimately, through these sessions, we are building the capacity of our employees through lifelong learning; but we are also helping our employees in their career development, and to be even better citizens.



GREENHOUSE GAS INVENTORY

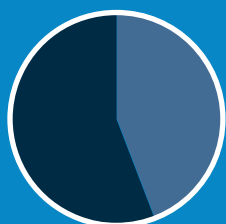
There is growing evidence that the climate is changing due to greenhouse gas (GHG) emissions from human activities. While we recognize that this is a global and complex problem, we also recognize that local actions must be made to reduce GHG emissions. At Pattison Sign Group, we have engaged in a project where we are quantifying our GHG emissions from our manufacturing and business operations. This project involves all manufacturing facilities and all Sales and Operations Offices.

The initiative started with training sessions to Senior Management, then to management and technical staff who are involved in identifying GHG sources. With the guidance of an external expert, we have 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 will allow quantifying our GHG emissions on a continuous basis. While GHG emission baselines are being established, our Green Team, with the help of all employees, is working on projects to reduce our GHG emissions.

The calendar year 2013 has been identified as the first year to quantify our carbon emissions, which provides a baseline on which we will work to reduce our carbon footprint.

TOTAL DIRECT AND INDIRECT GHG EMISSIONS IN 2013

5285 metric tons of CO₂ equivalent



Pattison Sign Group is committed 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. Future Corporate Sustainability Reports will document our GHG emissions and the efforts we are deploying to reduce these emissions.

CYBERSECURITY

Cybersecurity is now a threat to all corporations; Pattison Sign Group does not treat this lightly. We continuously assess the risks to the corporation, whether they are financial, social or environmental. Specifically to cybersecurity, while we never had, nor had complaints, regarding losses of data or information, including data related to customer privacy, we have engaged in an assessment of our level of exposure to cybersecurity. We are committed to take all necessary actions, if any, to minimize our exposure to cybersecurity risks.



TELECOMMUNICATION INFRASTRUCTURE

Following a major multi-million dollar investment in IT and communication technologies, we are now 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.

Since its inception there have been almost 7000 hours of videoconference meetings involving as few as two team members in the same province, to dozens of participants across international lines. Since the implementation of the system, the number of licenses has quadrupled and we have seen significant efficiencies in our operations. For example, during a very intensive usage for a large scale project involving daily meetings with a team of 30 people, and through business plan meetings normally requiring 25 management personnel to travel to our Head Office, for one week, the financial investment was paid back in approximately half the original payback objectives. Further, we have consequently reduced our GHG emissions, and our employees were in their homes in the evenings rather than in a hotel room or an airport.

SLOGAN AND LOGO

Our sustainable development slogan, **Think Green. Be Green.**, captures the essence of our approach: determining where we want to be, then planning appropriately to achieve our goals. Both our sustainable development slogan and logo were developed by Pattison Sign Group employees, not by external communication consultants. It is another example of the confidence and engagement we place in our dedicated employees.



AS A CITIZEN,...

I AM PROUD TO WORK FOR A COMPANY THAT GIVES IMPORTANCE TO SUSTAINABLE DEVELOPMENT."

KEITH BRIDEAU
QUALITY AND ENVIRONMENT COORDINATOR
EDMUNDSTON

WORKING AT PATTISON SIGN GROUP

All Pattison Sign Group 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 seven members on the Senior Management Team are from local communities where PSG is present, and six of them have been promoted to their current position from within the company.

Pattison Sign Group offers competitive salaries, employment benefits and work conditions to all of its employees. While we are committed to satisfy all labor laws in the jurisdictions we operate, we generally go beyond the regulations imposed. This assures that we have employees who feel that they are well treated by their employer.

We normally post job openings, both for manufacturing and management personnel, internally to allow for internal promotions and job mobility within our company. While this procedure is not consigned in a corporate policy, it is a practice that is widely applied in all our facilities.

At Pattison Sign Group, employees are valued not only for their work and their productivity; they are also valued as individuals. We provide an annual evaluation to a large majority of our employees, whether verbal or written based on the employment type and the region. We are committed in implementing an annual evaluation procedure for all our employees who do not benefit from such evaluation, namely for the employees at our recently acquired Heath Springs facility and for a portion of our personnel in Toronto and Penticton who do not currently receive an annual evaluation. We have also established several measures to ensure that employees can provide their ideas and values to management, and that these ideas and values are taken into consideration.

In all our facilities, we have a practice of regular meetings of all employees, whether they are manufacturing personnel or whether they are part of management.

These regular meetings take several formats: meeting rooms, shop floor, town hall format, tailgate, etc. These approaches allow for diverse interactions where employees are informed about general company results, safety issues, quality issues, upcoming workloads, production objectives, etc., while providing a continuous consultation process to obtain advice and feedback from our employees.

Beyond the regular meetings of employees and the measures for employees to provide their ideas and values to management, The Jim Pattison Group has many policies, and in fact a corporate culture, that encourage employees to provide recommendations and feedback to all levels of management, including Senior Management.

In our different locations, beyond the policies and practices referred above, we have various policies related to personnel, production and the workplace environment. We are committed in doing a full review of our policies and to standardize these policies in all our facilities and offices.

Employment turnover rates can be influenced by several factors, some not under the control of the employer. As a company, Pattison Sign Group 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 (since the US-based Heath Springs manufacturing operations are relatively new to Pattison Sign Group, no data is available for this location):

REGION	TURNOVER RATE TOTAL (%)
EASTERN	6
CENTRAL	10
WESTERN	34
US (KNOXVILLE)	9

All regions with manufacturing facilities during the reporting period have a Joint Health and Safety Committee, which applies to all employees. The composition of these committees is as follows:

	MEMBERS	MANAGEMENT	NON-MANAGEMENT
REGION	NO.	(%)	(%)
EASTERN	10	50	50
CENTRAL	20	40	60
WESTERN	9	22	78

In terms of accidents, lost days and fatalities, the following table presents the overall performance during the reporting period:

REGION	LOSS TIME ACCIDENTS	LOST DAYS OF WORK	NON-LOSS TIME ACCIDENTS	FATALITIES
EASTERN	4	46	6	1
CENTRAL	5	189	20	0
WESTERN	26	534	20	0
US (KNOXVILLE)	0	0	0	0

Finally, during the reporting period, Pattison Sign Group complied with all requirements, regulations and voluntary codes in matters protecting basic human rights and had therefore no incidents of discrimination (HR4) nor did it experience incidents of violations involving the rights of all people, including indigenous people.

HEALTH AND SAFETY IN MANUFACTURING FACILITIES

Every one of our manufacturing facilities has its own Health & Safety program and goes through great efforts to ensure a safe place for all employees.

Despite these significant efforts to minimize the risks we face, a fatal accident did unfortunately occur at our Edmundston facility in 2012. It was a very difficult time for all concerned.

This accident was taken very seriously at Pattison Sign Group. Despite WorksafeNB's statement following their investigation that Pattison Sign Group was not in breach of any laws or regulations, we engaged voluntarily in a series of actions to assess our workplace safety procedures and operations.

Notably, we created a joint special committee, composed of manufacturing and management personnel, to assess our operations and procedures, and to make recommendations to minimize the risk of accidents. Further, we had Health and Safety audits completed in all our manufacturing facilities. All the recommendations resulting from these audits, performed by independent external auditors, have been implemented in all our locations.

RESTRUCTURING OF FIELD OPERATIONS



The core competencies of Pattison Sign Group are the design, manufacturing and project management of signage and branding programs. Other components, such as the installation and maintenance of signage, are now usually subcontracted to local companies who can execute this type of work with increased efficiencies and in a more sustainable manner; this has become the norm in our industry.

Up until recently, we maintained relatively small Field Operations in our Western Region (Calgary, Edmonton and Vancouver) and in our Toronto location. These groups were responsible for a portion of the installation and maintenance services in these cities. We felt that managing fairly small crews in large markets was not efficient. Following a rigorous evaluation, we recently ceased our Field Operation in these locations.

This decision, which was not taken lightly, affected 29 employees.

Considering the levels of skills and knowledge of the employees affected, most were hired by some of our trusted sub-contractors, whose core competencies are field operations, allowing them to continue to flourish in their fields of expertise. Others chose to start their own field operation business and have become part of our sub-contractor network on their own. We offered some of them equipment at favorable costs and committed to working with them in providing work as they ventured into a small business enterprise.

With almost none of our former employees out of work for very long, we believe this decision will make us all better and more sustainable in the future.



I AM PROUD BECAUSE WE ARE...

MOVING FORWARD IN A WAY THAT
CONTRIBUTES TO THE FUTURE OF YOUNG
PEOPLE WORKING ALONGSIDE ME TODAY."

GWENDOLYN REISCHMAN
ACCOUNT EXECUTIVE, VANCOUVER

COMMUNITY INVOLVEMENT

Most of the materials to manufacture signs are supplied by large global corporations (steel, aluminum, plastics, lighting, among others). Nonetheless, we make all reasonable efforts to purchase goods, supplies and services from local vendors. While this may be a small percentage of our operational costs, these local purchases make a difference for small shops, and local contractors. As a corporation, we are committed to continue and expand local purchases whenever possible.

From community economic development agencies, to fundraising initiatives, to participating in blood drives, Pattison Sign Group employees contribute in building the communities where we are present. This involvement in numerous charitable initiatives, committees and groups contributes in building strong and dynamic communities. Below are a few examples of the great community activities our employees have been involved in during the reporting period.



TRAINING OF HIGHLY QUALIFIED PEOPLE (EDMUNDSTON)

In Edmundston, Pattison Sign Group 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.



MY PARTICIPATION...

IN THE TEACHING OF AN ENGINEERING DESIGN COURSE AT THE UNIVERSITY HAS HELPED ME BECOME A BETTER SIGN DESIGNER."

ÉRIC BOSSÉ
TECHNICAL DESIGNER, EDMUNDSTON



FUND RAISING - MOVEMBER (CANADA AND US)

Pattison Sign Group's employees used the Movember initiative to raise funds for men's health, primarily for prostate cancer research and for male mental health initiatives. While growing their mustaches, the Pattison Team, which consisted of participants in all regions, had many creative activities that allowed to raise over \$100,000 for the 2012 and 2013 campaigns. The \$50,000 contribution in 2012 ranked 22nd overall in Canada, while the \$53,465 in 2013 ranked 14th. Impressive numbers; and many creative facial *soup-strainers*.

Two members of the Heath Springs Team also put their shoulders to the wheel by raising \$585 for the Toys for Tots Program. Raising the funds also came with the responsibility of going to the toy store to make the purchases, which, apparently, was a funny scene.



COMMUNITY INVOLVEMENT (CONTINUED)



FUND RAISING ROAD HOCKEY TO CONQUER CANCER (CENTRAL REGION)

Employees from the Toronto Team transformed, for a fundraising event, into the Pattison Maple Leafs. And they scored big! In a road hockey tournament held from dawn to dusk, our team raised almost \$22,000 for cancer research.

FUND RAISING WALKING FOR FAMILIES OF WORKPLACE TRAGEDY (ORILLIA)

Under the leadership of the Orillia Team, the Step for Life activity raised almost \$15,000 to support programs and services to families affected by a workplace tragedy in a local business.



COMMUNITY IMPROVEMENT STREET CLEAN-UP (ORILLIA)

The Orillia Team has adopted a road where they volunteer in dedicating a Saturday in Spring and in Fall to cleaning ditches and the surrounding area.

MESSAGE CENTER WORLD ACADIAN CONGRESS (EDMUNDSTON)

L'Acadie has a rich history in or near several of our locations; and this is particularly true for our Edmundston facility. Situated on the border of the State of Maine and the Provinces of New Brunswick and Quebec, the region has teamed up to host the 2014 World Acadian Congress. Pattison Sign Group is providing the Congress with an outdoor Message Center, which has been installed on the land of the local university on one of the main road stops in Eastern Canada. After the Congress, the sign ownership will be transferred to the university.





HABITAT FOR HUMANITY

(KNOXVILLE)

The Knoxville Team completed their first Habitat for Humanity home build in November 2012. After the hard labor by employees and spouses, the home was dedicated to a very deserving single mother of a five year old son.

As if this was not enough, the Knoxville Team recently completed their second, larger Habitat for Humanity home build. This 5 bedroom home, built by the hands of employees and spouses, has been proudly dedicated to a very deserving local family with four children.



GIVING BACK TO COMMUNITIES

SOME OF THE FUND RAISING RESULTS OBTAINED BY OUR EMPLOYEES:

ACTIVITY	LOCATION	AMOUNT	BENEFICIARIES
MOVEMBER	CANADA AND US	\$103,465.	MEN'S CANCER HEALTH
FUND RAISING ACTIVITIES	EDMUNDSTON	\$6,800.	RADO FOOD BANK
RELAY FOR LIFE	EDMUNDSTON	\$3,810.	CANADIAN CANCER SOCIETY
FUND RAISING ACTIVITIES	EDMUNDSTON	\$1,000.	P.R.O. KIDS
MESSAGE BOARD FOR THE COMMUNITY	EDMUNDSTON	\$26,000.	LOCAL UNIVERSITY
ROAD HOCKEY TO CONQUER CANCER	CENTRAL	\$21,987.	RHCC
SPORTING LIFE 10K	CENTRAL	\$1,200.	CAMP OCHIGEAS
STEPS FOR LIFE	ORILLIA	\$14,973.	STEPS FOR LIFE
CANCER BBQ	ORILLIA	\$3,295.	CANCER RESEARCH
COMMUNITY FOOD BOXES	ORILLIA	\$910.	LOCAL FAMILIES
ORILLIA FOOD BANK	ORILLIA	\$600.	ORILLIA FOOD BANK
SILENT AUCTION XMAS DANCE	ORILLIA	\$500.	LOCAL FAMILY
CANADIAN CANCER CHARITY BBQ	TORONTO	\$5,302.	CANADIAN CANCER SOCIETY
BECEL RIDE FOR HEART	TORONTO	\$2,625.	HEART AND STROKE FOUNDATION
SILENT AUCTION XMAS DANCE	TORONTO	\$1,950.	SICK KIDS HOSPITAL
PENNIES MAKE A DIFFERENCE	TORONTO	\$273.	HOSPITAL FOR SICK KIDS
RELAY FOR LIFE	PENTICTON	\$1,200.	CANADIAN CANCER SOCIETY
CHRISTMAS HAMPER	PENTICTON	\$750. IN FOOD	SALVATION ARMY FOOD BANK
ROOFTOP CAMPOUT	PENTICTON	\$781.	PENTICTON FIREFIGHTERS
SIGNAGE FOR DALE MEADOWS PARK	PENTICTON	\$1,621.	OKANAGAN CHILDREN'S CHARITY
SIGNAGE FOR DISCOVERY PARK	PENTICTON	\$1,099.	OKANAGAN CHILDREN'S CHARITY
SIGNAGE FOR ST. PAUL'S INDIAN CHURCH	PENTICTON	\$2,644.	ST. PAUL'S INDIAN CHURCH
SIGNAGE FOR PEACHFEST	PENTICTON	\$250.	PEACHFEST
MOVEMBER	HEATH SPRINGS	\$585.	TOYS FOR TOTS PROGRAM
HABITAT FOR HUMANITY	KNOXVILLE	2 HOMES	LOCAL FAMILIES



WE ARE...

BLESSED WITH A SERVICE-ORIENTED GROUP OF EMPLOYEES, COMMITTED TO GIVING OF THEIR OWN TIME TOWARD EACH OF OUR COMMUNITY OUTREACH EFFORTS."

WENDY WEBB

GMDI TEAM LEADER, KNOXVILLE

OUR RELATIONSHIP WITH THE ENVIRONMENT

Pattison Sign Group 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.

Our *EnergyExam* proprietary program is a unique energy audit that we perform on existing signage to determine if an upgrade and retrofit in lighting technology would reduce its energy consumption and maintenance obligations, thus helping its owner achieve its environmental objectives.

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.

As a corporation, Pattison Sign Group has engaged in numerous initiatives and actions to reduce its own energy consumption and reduce its carbon footprint, both in manufacturing and in business operations.

Furthermore, Pattison Sign Group 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 within a reasonable time period.

Pattison Sign Group currently has recycling programs for aluminum, steel, copper, wood, plastic, 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. 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 at our Edmundston facility, employees have first access, for personal usage, to the material being disposed or sent to industrial recycling facilities.



All non-recyclable waste are treated locally. We do not ship waste internationally.

For our business operations, while not specifically expressed in a policy, we use products made from post-consumer recycled material (paper, printer cartridges, etc.) when available; this practice will be confirmed in a corporate policy. Similarly, all office waste that can be recycled (computers, electronic equipment, paper, printer cartridges, etc.) are disposed accordingly. We have also invested significantly in videocommunication infrastructure to reduce traveling and we have implemented green business practices.

Recently, our Edmundston facility experienced a spill, where 19 liters (approximately 5 US gallons) of a 100% synthetic lubricant for hydraulic systems overflowed during a maintenance operation. The spill, which was fully contained in proximity

of the piece of equipment, was treated according to industry best practices, and was reported to the provincial Environment Department.

During the reporting period, Pattison Sign Group did not receive fines, nor did it receive non-monetary sanctions, for non-compliance with environmental laws and regulations.

Finally, when it comes to doing the right thing in regards to sustainable development, our employees think globally; and they act locally. Most of our facilities recycle bottles for charities; they have battery recycling boxes; they have boxes for local Food Banks; our employees participate in blood drives and other charitable events. We can also highlight an exciting project by our Orillia Team: they have built an employee garden next to the plant; considering the success of the initiative, they are promising a bigger garden next year!



“ **THROUGH THE ACTIONS OF THE GREEN TEAM, WE ARE...**

PLANTING SEEDS WITH OUR INDIVIDUAL EMPLOYEES TO DO WHAT IS RIGHT.”

GREG BARNETT
PLASTICS MANAGER, HEATH SPRINGS

SOME RECENT ENVIRONMENTAL HIGHLIGHTS

OUR CANADIAN MANUFACTURING FACILITIES HAVE BULB EATERS FOR THE PROPER DISPOSAL OF LIGHTS CONTAINING MERCURY; OUR HEATH SPRINGS MANUFACTURING FACILITY SENDS THESE LIGHTS TO A SPECIALIZED WASTE DISPOSAL PLANT.

OUR HEATH SPRINGS FACILITY DOES CLEVER SCHEDULING TO OPTIMIZE POWER CONSUMPTION BY MAXIMIZING THE USAGE OF THERMOFORMING OVENS DURING OFF-PEAK HOURS.

THROUGH AN EMPLOYEE BATTERY RECYCLING BOX, OUR TORONTO OFFICE RECYCLED 525 BATTERIES IN 2012.

OUR ORILLIA TEAM HAS AN EMPLOYEE GARDEN AT THE PLANT.

PREPARING OUR CORPORATE SUSTAINABILITY REPORT

The reporting period for this second Corporate Sustainability Report (CSR) covers the calendar years of 2012 and 2013, i.e. from January 2012 to December 2013; this period corresponds to the two year period following the first CSR published in 2011. We are still committed to a two year cycle for reporting on our corporate sustainability.

As in CSR 2011, this report is written under the Global Reporting Initiative G3 Reporting Framework. Re-statements have not been made in this CSR 2013. The scope, boundaries and measurement methods in the preparation of the CSR 2013 are the same as our previous report. For our next CSR, Pattison Sign Group is planning to migrate to the recently released Global Reporting Initiative G4 Reporting Framework.

The Corporate Sustainability Report is a major initiative of our Green Team. In fulfilling its mandate, the Green Team determined the guiding principles of the Sustainable Development Initiative, the stakeholders of the initiative and the priority actions. The Green Team is currently composed of 16 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.

The process for defining the content of the Corporate Sustainability Report was initiated at the level of the Green Team. With the assistance

of the external Sustainable Development Advisor, the Green Team confirmed that the GRI G3 Reporting Framework was the most appropriate approach to document the sustainability issues at PSG. Further, through a participatory approach, the Green Team identified the incremental GRI indicators that could be added to the report. These incremental GRI indicators were assessed according to the boundaries of the report and their materiality to the corporation.

Thus, 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.

The boundaries of the report have been set where Pattison Sign Group has direct control; they thus include the four owned manufacturing facilities, along with our 12 Sales and Operations Offices in North America. While Pattison Sign Group 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 Pattison Sign Group does not have an ultimate direct control on them. Similarly, once a sign element is installed on a customer's premise, Pattison Sign Group 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 Pattison Sign Group.



OUR APPROACH TOWARDS SUSTAINABLE DEVELOPMENT...

IS AN EXAMPLE OF HOW PROACTIVE COMPANIES
SHOULD BEHAVE TO MAKE A BETTER WORLD,
DESPITE NOT OBLIGATED TO DO SO."

JACQUE DUGUAY
SENIOR DIRECTOR, TORONTO

DISCLOSURE OF MANAGEMENT APPROACH

This section documents our management approach to the issues addressed by the GRI G3 Performance Indicators. Essentially, the section provides the context of the performance information for the indicators that are material and within the reporting boundaries of Pattison Sign Group.

The information in this section complements the information found in the previous sections of the report; this latter information is not necessarily repeated here. Thus, this section concerns mainly the information that is not specifically related to the reporting period. Rather, this section addresses information that remains fairly constant from year to year.

Through an incremental process, sustainability issues have become a significant element of our management philosophy. Senior Management of Pattison Sign Group is now required to report quarterly to the Corporate Management of our parent company, Jim Pattison Industries Ltd. At the operational level, we have recently created a Senior Management position to lead the overall sustainability issues for the company. This position (Senior Director of Legal Services & Corporate Affairs) is occupied by a long serving employee of the company, and he works with a corporate Green Team that covers all regions and all personnel levels of the company. Locally, within our facilities and offices, local Green Teams are operational to implement local actions and to feed information and knowledge at the corporate level. Thus, while being directed by a member of Senior Management, the organizational responsibility towards sustainability issues reaches out to all employees.

ECONOMIC

While most of the materials to manufacture signs are supplied by large 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 local goods and services, we generate wealth in our communities of proximity.

Most of our hires are done locally, notably where we have manufacturing facilities. This is particularly important since three of our manufacturing facilities are in rural regions or small communities (Edmundston, Heath Springs and Penticton), while the fourth (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 Pattison Sign Group.

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. 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 employer in the communities where we are established. Some manufacturing facilities, such as in Edmundston, Heath Spring and Penticton, are in the top three employers in their respective regions. In the communities where we do business, and in particular in these three communities, our economic activities generate significant direct, indirect and induced economic impacts, making us 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 investment 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, and to contribute to the prosperity of the communities where we do business.

ENVIRONMENT

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.

Energy consumption can be found in three levels in our business: the energy consumed for the business operations and the manufacturing of signs; the energy used to ship signs to their installation sites; and the energy consumed by signs during their operation. This energy consumption is also linked to greenhouse gas (GHG) emissions.

At the business operations and manufacturing level, we have engaged in energy audits in our facilities and we have engaged in a corporate-wide project to measure our GHG emissions. We have identified, through a participatory approach, 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 will allow us to better monitor our GHG emissions. At this time, our objective is to reduce both our energy consumption and our GHG emissions. Now that the baseline data has been obtained, we are in a better position to identify goals and to fix performance indicators for these reductions.

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 signs. Thus, the transportation of signs is not part of the boundaries for this Corporate Sustainability Report. Nonetheless, we feel that one of our next priorities to better assess our sustainability performance is to look closely at the transportation of our signs. Future Corporate Sustainability Reports will address this issue.

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 is used when available, and we have recycling programs for all our waste in our facilities.

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.

Globally, 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 significantly in our facilities to reduce their ecological footprints, while still providing safe and efficient workplace environments. Notably, we invested in energy-efficient lighting upgrades, energy efficiency assessments and upgrades, videoconferencing infrastructure, and safety audits and upgrades.

While we do have various policies related to environmental issues, we are committed in doing a formal review and to adopt a set of environmental-related policies that will be uniform for the whole company. These policies will also address the methodologies to better track and monitor our environmental performance as a company. We also intend to pursue our incremental approach to sustainability-related data monitoring, notably in regards to our environmental performance.

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.

SOCIAL - WORKPLACE

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 Presidents (VP Operations in Canada, and VP/GM for our US operations). While we tend to have similar HR practices and data monitoring approaches in our facilities and offices, we do not have systematic policies on this important aspect of our company. We are committed to develop corporate policies that will address people-related issues for the company and to implement, as much as possible, the same policies in all our facilities and offices.

There is a growing interest in our employees for our Sustainable Development Initiative. We also feel that employee engagement is key in achieving our sustainability objectives. To this end, we have engaged in a project to provide training on sustainable development to all employees of the company. These sessions are held on-sites, some directly on the shop floor, where a presentation is made on sustainable development and the way it impacts us. This is followed by a discussion, then a survey, to assess the level of involvement of the employees, but also to get their ideas and opinions of potential priorities for the company. This bottom-up approach brings significant value to our approach to sustainable development.

A dedicated workforce leads to improved productivity, enhanced quality and innovation; these are important factors for the profitability of a company. Besides offering reasonable 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.

In general, the labor-management relations at Pattison Sign Group 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. Three of our manufacturing facilities operate under collective bargaining, while the fourth, 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 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.

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 in every regions of the company. We also provide safe work environments, appropriate tools, work protocols, health and safety manuals and regular training; in summary, we hammer the message of workplace occupational health and safety. Nonetheless, accidents do happen. And when they happen, we treat every situation with the health of our employees, and their families, as the priority. 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.

As all responsible company, our goal is to comply with all applicable laws, regulations, legislations and codes of conduct. While ultimately this obligation rests on the Senior Director of Legal Services & Corporate Affairs 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.

Similarly, 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. Because of our relatively limited purchasing power, we can't 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.

SOCIAL - COMMUNITY

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.

While we do not have specific goals in regards to community involvement, we tend to support all initiatives, either recommended by our employees or within the company, which contribute to building strong and prosperous communities. We do not have a monitoring system that measures our involvements in community activities; rather this information is compiled through surveys and the work of the Green Team at the time of preparation of the Corporate Sustainability Report.

Our sites, notably the manufacturing facilities, have a clean environment 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 and Operations Offices are situated within business areas of the various communities where we are present, thus contributing to the creation of business clusters within these communities.

More globally, we are concerned with the overall trends on society. Whether they are climate change, poverty or globalization, these issues affect us and affect the way we do business. As a company which manufactures energy consuming equipment, we are fully aware of our responsibility to design products that will minimize energy consumption, and that have an optimum material intensity. We assume this responsibility by continuously innovating in the design of our products and by working with suppliers to have the best material efficiency possible. While being a small drop in a big ocean, we think that our approach in doing business contributes positively in building a better, more resilient society.

Fundamentally, we are proud to be able to say that we are a corporation that operates responsibly in society.

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