

YOU SEE A
PILE OF DIRT.
WE SEE A MORE
SUSTAINABLE
FUTURE.



**OE UTILITY
SERVICES**
GET MORE OUT

2022 SUSTAINABILITY REPORT

VISION AND VALUES

Our vision and values are grounded in our focus on sustainable environmental practices. Working with forward-thinking companies, OE strives to be a leader in advancing underground utilities construction, renewal and improvement. We are committed to applying new, proven technologies combined with LEAN enterprise thinking to provide the best value to our customers, while keeping the environment safe and healthy.

Vision

Unified in driving customer growth and success, through safe and sustainable solutions.

Values

Mutual Respect: We approach each other with honesty, trust, care, and mutual respect. Together, we are committed to a safe and healthy work environment.

Clarity Of Purpose: We strive to be engaged and to be responsive to the evolving needs of our customers, our people, our industry, and our communities.

Industry Champions: We aspire to be forward-thinking, continually improving, executing with focus and agility.

Responsible: We always act ethically. We take concrete actions to attain sustainable environmental objectives.

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MESSAGE FROM THE PRESIDENT & CEO

**We've Changed Our Operating Name But Not Our Focus
On Providing Great Service.**



Our vision of providing customers with an easy, one-stop solution to access comprehensive utility support services came into sharp focus during 2022. Over the past few years, we've continued to add additional ancillary services beyond hydro excavation to meet the growing demand from our customers. We utilize the latest technology, equipment, and processes to deliver highly effective services while reducing impact on the environment. OE significantly increased its

hydrovac fleet, support vehicles, and other specialized equipment. We are now able to introduce a bundled services discount when core hydrovac services are scheduled alongside of ancillary services, saving customers time and money while seamlessly flowing services.

Viewing how our business has transformed and continuing to realize our vision, it became apparent that our name, Ontario Excavac, no longer reflected the company we are today. We decided to undertake an operating name change and develop a more modern look and feel to our visual brand. Changing our operating name from Ontario Excavac to OE Utility Services is more descriptive of the array of services we provide to utility companies. In addition to our industry-leading hydro excavation, we offer extensive water & gas distribution support services, subsurface utility engineering support, along with best-in-class restoration and soil processing. What hasn't changed is leaving things better than how we found them.

As part of our evolution and rebranding of the company, we updated our vision and values (see page 2). You will also see our new brand identity reflected throughout our 2022 report. We hope you like it. To learn more, please visit our new website: oeservices.ca.

Sincerely,

Barry Wood
President & CEO



THE OE ADVANTAGE



LEAN Savings Guaranteed

Our LEAN processes save our customers time and money while maximizing quality, productivity, and safety on every project.



The Only End-To-End Solution In Canada

From digging to disposal, excavation to restoration, we strive to leave things better than how we found them. We all win by focusing on a job well done.



Recycling Helps Everyone

We process hydrovac waste to recycled water, reclaimed sand, repurposed silts, clays, and aggregates for reuse – right on our premises. We all have a role to play in protecting the environment.

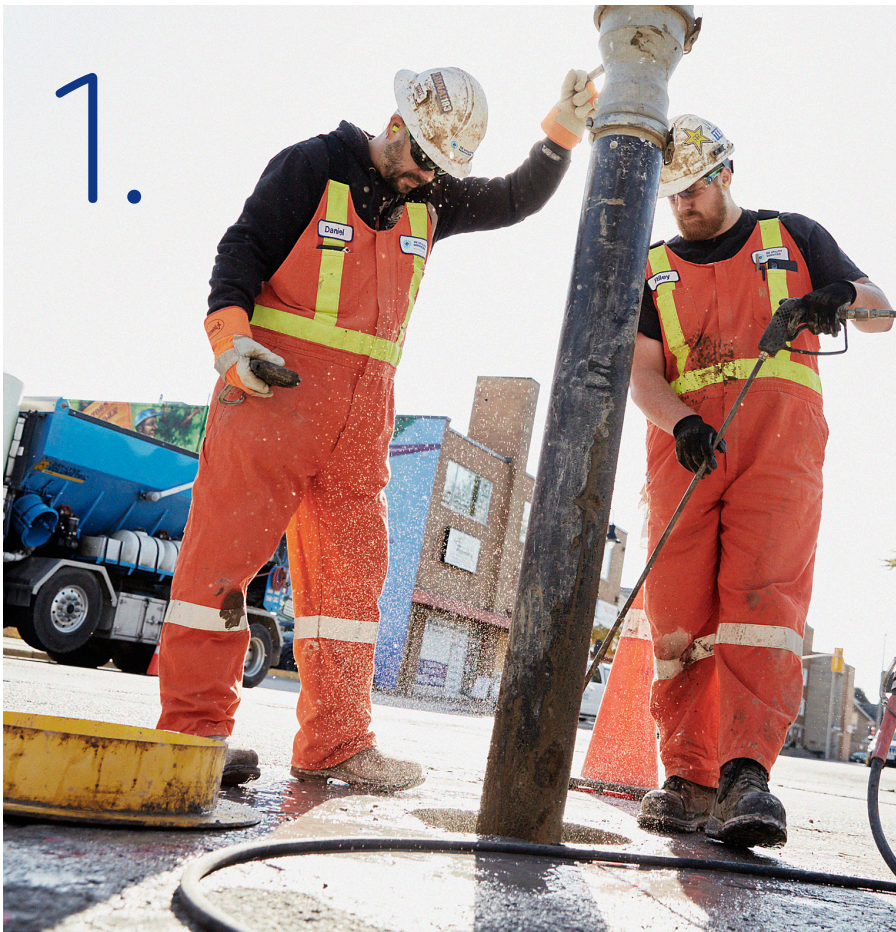


Cost Savings Are Just The Beginning

More than price, we compete on our results. Our end-to-end services means safer, more productive projects that provide peace-of-mind while delivering the lowest overall cost. Customers save even more when they bundle other support services and equipment with hydro excavation.

INVESTING IN SUSTAINABLE SOLUTIONS

OE continues to invest in expanding our broad range of sustainable services. We aim to exceed our customers expectations, every time. Working with forward-thinking companies, OE strives to be a leader in advancing underground utilities construction, renewal, and improvement. We are committed to applying new, proven technologies combined with LEAN enterprise thinking to provide the best value to our customers, while keeping the environment safe and healthy.



Protecting Vital Infrastructure with Hydro Excavation

Non-mechanical and non-destructive, hydrovac technology is widely recognized for its safety and cost benefits as it does not damage buried utility infrastructure. Hydrovac excavation digs precise shapes and depths, minimizing soil removal and environmental impact. It limits excavation to what is needed and requires less backfill to restore surfaces. Hydro excavation also enables buried infrastructure to be safely exposed prior to digging. It's fast and can access difficult locations up to 900 feet from our trucks. Core to the OE business, we remain a leader in hydro excavation technology and processes across Ontario.

Reducing Carbon Emissions with Our Next Gen Fleet Expansion

OE has expanded its hydrovac fleet with trucks that feature the latest technology, better fuel efficiency and less noise pollution. In fact, our Next Gen hydrovacs are 10 decibels quieter than other older hydrovacs. That's a perceived noise reduction of 100% - extremely important in urban centres with more people living and working from home. Our hydrovac fleet is now more than 55+ vehicles. We also have ancillary support service trucks and equipment including, concrete and road saws, coring machines, u-fill trucks, stone slingers, back-hoes/mini-ex, dump trucks, asphalt trucks, float trailers and skid-steers.

2.



Renewing Gas Distribution Systems

OE's responsive service and a highly experienced and knowledgeable team of experts support gas distribution renewal and improvement projects. This includes main replacement, amp riser replacement, valve clean-outs and repairs, cut-off at main, anode replacement, damage response, and service relay replacement using trenchless technologies to minimize environmental impact. We apply a sequential workflow model to our projects that results in a 50% increase in productivity. For example, on average OE crews each replaced more than 8 amps per day. Working with gas distribution requires extensive safety protocols to keep people and environments safe. We are proud of our safety record and 100% of our employees receive on-going safety training.



4.



Maintaining Clean Water Distribution Systems

Clean water is a precious and limited resource. The need to protect and preserve clean water distribution systems is paramount to maintaining healthy and thriving lives. OE uses the latest innovative, proven technology to address the most complex water asset repair, cleaning, and renewal projects for both residential and commercial infrastructures. OE continues to provide environmentally focused specialty services.

OE's water main cleaning and lining technology improves drinking water quality while lowering operating costs for distribution networks. It delivers industry-leading surface preparation for pipe coating and lining while rejuvenating the hydraulic capacity of pipes. Our efficient technology and services can provide shortened times in return to service, possibly avoiding the need for expensive bypass water supply.



*From Coring to
Restoration - Step by Step*

5.

Subsurface Utility Engineering Support

In 2022, we introduced expanded services focused on subsurface utility engineering support (SUE). OE provides fast and easy access to streamlined end-to-end services including coordinated work planning, locates, permits, keyhole coring and hydro excavation that quickly and safely expose underground utilities. We fill and restore exposed surfaces to make excavation look like it never happened.

Unlike other hydro excavation companies, we never contract out services to third-party providers. Our team of experts work directly with clients, using the right equipment and resources to ensure projects get completed safely, on-time and on-budget. Locating and exposing underground utilities to help manage the impact and risk on construction projects just makes sense. We fully restore the job site afterwards, with minimal environmental impact.

6.

More Convenient Locations Across Ontario

Growth and expansion of our business was an important emphasis for OE in 2022. In response to our customers' needs, OE added more service locations. Our 5 convenient locations across Ontario services a large portion of our great province. More convenient locations also means that travel time is shortened to and from the job site. Our customers benefit from saving time and money. We all benefit from less pollution, less wear and tear on the roads, and reduced carbon emissions. Our dedicated sales and service team are always available for a free on-site consultation as part of our full-service approach.



7.

Making Excavation Look Like It Never Happened



OE takes pride in making excavation look like it never happened. We start with excavations that are as small and neat as possible, and we fully restore the ground surface to look as good or better than before.

OE Utility Services specializes in restoring soft and hard surfaces. We perform soft surface reseeded or re-sodding of grass. Our hard surface restoration skills include:

- Flagstone
- Interlocking brick
- Asphalt
- Patio stone
- Concrete
- Wooden decking

To fill our holes, OE often uses reclaimed sand from our on-premises hydrovac soil processing and recycling facility. Using reclaimed or repurposed materials is an important part of our commitment to sustainable environmental practices. OE is the only company in Ontario with the operational process in place to fulfill this best practice.

Our business model has remained focused on three key pillars: Safety, Sustainability, and Savings for our customers.

Safety

- We are award-winning leaders in safe work practices
- Our customer-focused business model prioritizes risk mitigation
- Registered A-level GREEN performer with ISNetworld®
- COR certified through IHSA accreditation for our ongoing safety training, standards, and practices

Sustainability

- We are the only utility services company in Ontario with a Ministry of the Environment, Conservation and Parks approved, on-premises soil processing facility

- All waste is recycled for beneficial reuse
- Reduced travel time cuts carbon emissions by 30%
- We have recently started to recycle additional excavated materials such as concrete and asphalt, with over 85% of the original material going to the remediation of land.
- We are striving to process 100% of all the hydrovac waste we receive and recycle it into materials ready for valued reuse

Savings

- The right workers are in the right place, at the right time, doing the right tasks
- Wait times for crews are eliminated
- 50% composite crew productivity gains
- 30% reduction in daily transportation costs
- Cost savings are passed back to the customer

Turning Waste into Valuable Resources for Reuse

We believe that to Get More Out of every project means focusing on outcomes that not only benefit our customers, but also reduce environmental impact. Our team is dedicated to leaving sites better than how we found them. Sustainably focused environmental business practices save everyone more in the long-term. And peace-of-mind for the best job possible is priceless. Our investment in an on-premises, state-of-the-art soil processing facility reduces

both carbon emissions and costs to our customers by cutting long-distance driving to dispose of waste materials. Hydrovac waste is recycled into valuable products for reuse in construction projects, and the remediation of land.



SPOTLIGHT ON RECYCLING

We Manage Hydrovac Waste Differently



Our recycling facility

OE is the only hydro excavator in the GTA with its own 94,000 sq. ft. facility housing the OE fleet and our soil processing and recycling facility. Our state-of-the-art facility reduces both carbon emissions and costs to our customers by cutting long-distance driving to dispose of waste materials. We save our customers time and money by making it fast and easy to unload hydrovac waste, securely. We've proven that sound, sustainable environmental business practices reduces costs and mitigates risk now, and in the long-term.

All the hydrovac waste generated in our daily work is recycled for reuse into water, silts, clays, and aggregates. Our 2.5-hectare hydrovac waste disposal and processing site is ECA approved, and fully complies with Ontario environmental regulations. All materials are tested to ensure compliance with provincial soil regulations. Nothing we collect through our daily work goes to landfill. We are striving to process 100% of all the hydrovac waste we receive into materials ready for valued reuse.

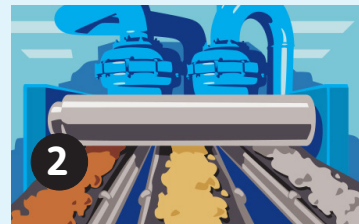
Our commitment to protecting the environment extends well beyond soil processing and recycling to everyday operational practices. We capture and divert rainwater from our roof for reuse within our plant. We use high efficiency LED lighting throughout our facility, cutting down on energy consumption. In the winter months, while ventilating our facility to meet code requirements, we repurpose the exhausted warm air to heat our outside operations.

In 2022, we significantly increased our sale of premium recycled sand - the equivalent of 255 dump truck loads.

Our Process:



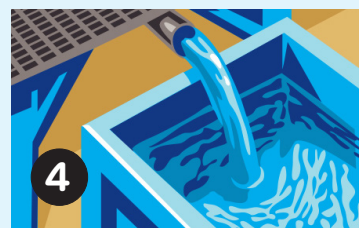
Waste collected at the job site is unloaded at our on-premises facility



Waste is separated and sorted into aggregate, sand, silt and clay



Recycled materials are ready for repurposing and reuse



Water is separated, cleaned and reused throughout the process

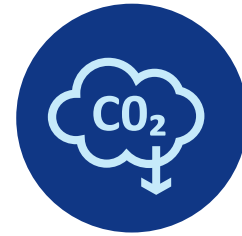


Now Available: Premium Performance Pipe Bedding

Engineered for high-performance, our recycled fine grain sand is specially formulated to protect and preserve underground utility piping and neatly fits within existing sand specifications. With a slightly higher moisture content, our premium pipe bedding material packs quickly and densely resulting in less sinkage than traditional sand products. Our fine sand is a more reliable cushioning material, helping mitigate the risk of long-term abrasion of pipe exteriors from coarser traditional bedding materials.

Coming Next: Recycled Aggregates for Reuse

In 2022, we began to further refine our aggregate recycling process. Our goal is to have fully cleaned and recycled aggregate ready for use as a granular subbase in construction projects. By recycling these materials from our urban landscape, we significantly reduce greenhouse gas emissions. We provide a convenient, local supply of aggregate product to streamline the backfill process, saving time and money, and eliminating the need for a third-party supplier in projects.



Reducing Greenhouse Gas Emissions

Protecting the environment where we live, and work is more important than ever. OE continues to actively address climate change and reduce carbon emissions in its operations. For example, our central GTA recycling facility produces premium pipe bedding sand, avoiding additional excavation and disruption to the natural environment to acquire sand materials from external resources. The materials that we excavate and recycle from urban centre job sites return to urban centre job sites. Greenhouse gases are eliminated by avoiding:

- Unnecessary dump truck travel to remote quarry sites
- Heavy excavating equipment and material screening operations at the quarry
- Dump trucks driving materials back to the GTA from remote quarry sites

We offer all our customers environmentally focused, end-to-end project support that includes:

- Project Management
- Site Preparation
- Hydro Excavation
- Repair, Renew and Improve
- Restoration
- Soil Disposal and Recycling



Decreasing Our Carbon Footprint

Each year, we strive to increase our hydrovac waste recycling. In 2022, we significantly increased our high-grade recycled sand production, reuse of our recycled water and are beginning to recycle aggregate as a subbase for use in construction. Increasingly, we are using more biobased products to further reduce our carbon footprint.



ISO14001 Certification*

We are also working to achieve ISO14001 certification which further demonstrates our commitment to environmental management. ISO14001 is a set of standards that organizations can follow to reduce their environmental footprint and improve their performance.

*In Progress

Corporate Sustainability Reporting

OE is committed to continually improving its sustainability performance. We recognize that sustainability extends beyond environmental issues. A more holistic view will focus on the importance of managing risks and opportunities related to environmental, social and governance criteria (ESG). Over the next year, we are organizing our efforts within a recognized international framework, EcoVadis, that measures the quality



of a company’s corporate sustainability reporting (CSR) system through its policies, actions, and results. EcoVadis scoring is utilized around the world by leading organizations. The assessment considers a range of issues, which are grouped into four themes: Environment, Labour & Human Rights, Ethics, and Sustainable Procurement.

To improve environmental business performance and provide services at the lowest overall cost for our customers, we will set specific and measurable targets within the four themes referenced above. Our future reports will highlight results within these categories.

SUSTAINABILITY SNAPSHOT

Safety

We care about our customers, the public, and our staff. We have the track record that shows we never compromise on safety.



A Level

With ISNetworld and COR 2020 Certified

100%

Legislated Workplace Training

ISO 45001

Certified

0

*Lost Time
Injury Days*

Sustainability

We care about the environment we live in and work in. We believe that sustainable environment practices are the most cost-effective solutions now and for the future.



22,340,000

Litres of Water Recycled and Reused (that's more than 9 Olympic-sized swimming pools!)

>20%

*Reduction in Carbon
Footprint*

92,655

*Tonnes of Gravel, Silt and Clay Diverted
as Clean Fill (that's equal to one fully
loaded U.S. Navy aircraft carrier!)*

5,100

*Tonnes of Reclaimed Sand
(that's equivalent to 255 truck
loads of recycled sand.)*

Savings

We view value through the eyes of our customers. We strip out the non-value-added activity for the lowest cost of service and increase productivity while maintaining the highest quality. We ensure that the right resources are working on the right activity.



50% Gains

Increased Productivity with Sequential Workflow Model

30%+

Reduction in Daily Transportation

20%

Savings on Total Daily Costs Passed Back to Customers

\$40/hr.

Off Regular Hydrovac Rates When Bundled With Ancillary Services

COMMUNITY ENGAGEMENT

As a socially responsible company, OE Utility Services is an active member of the Vaughan community where its corporate head office is located. OE strives to positively impact the lives of people every day and is a major supporter of the Mackenzie Health Foundation, SickKids Foundation, St. Joseph's Health Centre Foundation and a platinum sponsor of Canada's Great Kitchen Party.

OE is a VIP sponsor of the Enbridge United Way Golf Tournament and continues to be a major sponsor and supporter of the Enbridge Ride to Conquer Cancer.

OE's employees also supported the Daily Bread Food Bank, Movember, the United Way, and Kim's Swim.



LEADERS FOR A BRIGHTER FUTURE

As a forward-thinking leadership team, we benefit from a diverse range of knowledge and expertise to continually improve our customer experience. Getting more out of each other's differences returns more value to our customers, company, and the environments in which we operate.

Approaching our work through an environmental lens and a sustainability mind-set, our leaders are trained in LEAN Thinking to eliminate waste and increase productivity.

Barry Wood
President & Chief Executive Officer

David Branigan
Chief Financial Officer

Malcolm Robertson
Senior Director, Enbridge Sales and Service

George Chung
Director Sales & General Manager, Regional Business Units

Tony Kerwin
Senior Director, Fleet and Operations

Grace Meade
Director, Human Resources And Health & Safety

Brett Tye
Director, Fleet & Operations

Zoltan Pop
Director, Business Development, Southwestern Ontario

Chris Penic
Senior Manager, Customer Relationships

Ken Ripley
Senior Manager, Operations

Ellen D'Alessio
Operations Manager, GTA East





**OE UTILITY
SERVICES**

GET MORE OUT

OE Utility Services
550 Bowes Rd. Vaughan,
Ontario L4K 1K2

Phone: (416) 749-0005
www.oeservices.ca