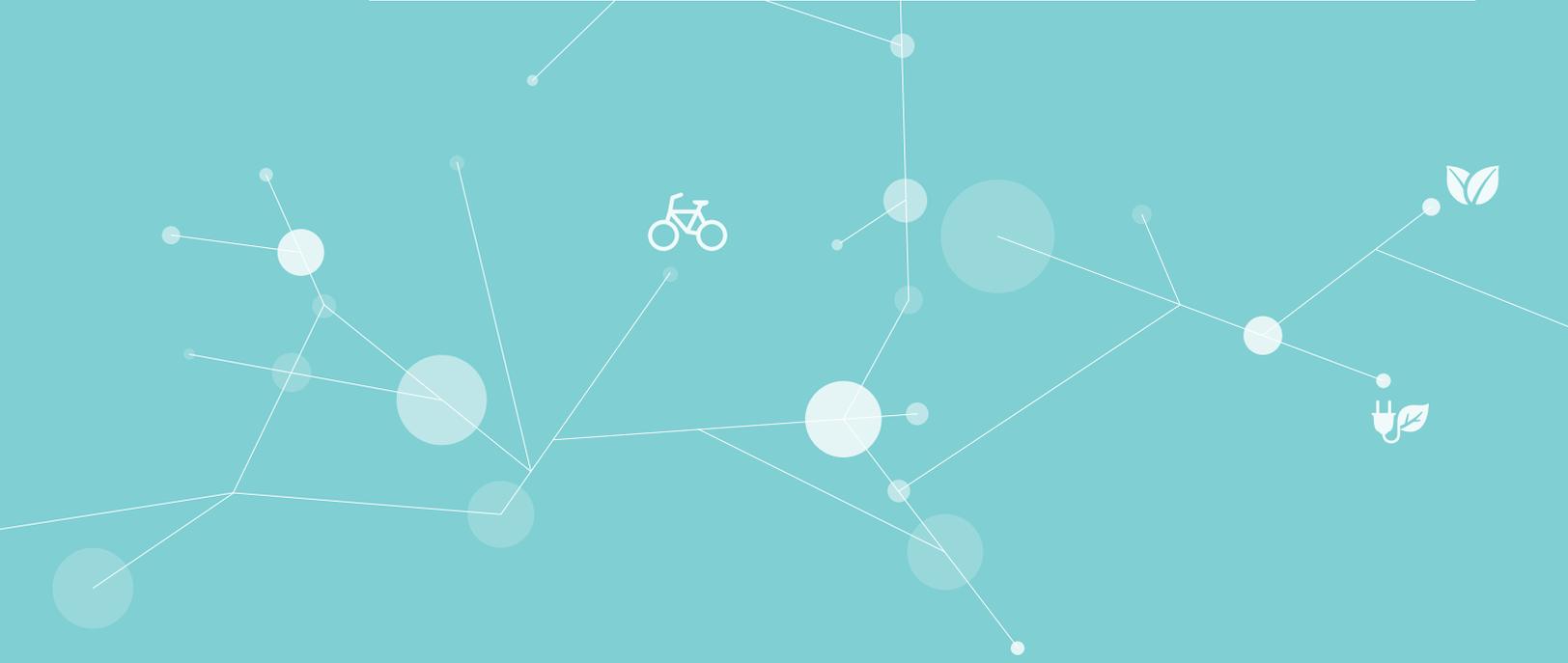


BACKGROUND

In 2010, the Montreal Port Authority (MPA) adopted a sustainable development policy. The policy concretized a long tradition of actions and initiatives in the environmental and social fields. In October 2011, a five-year action plan covering 2011-2015 was presented to the Board. It included 13 priority issues.

**THIS IS THE ANNUAL REPORT FOR 2014,
THE FIRST YEAR A GRI (GLOBAL REPORTING
INITIATIVE) FRAMEWORK WAS USED.**



-
- 3 HIGHLIGHTS
 - 4 9 PRINCIPLES
 - 5 13 ISSUES
 - 6 2014 ACHIEVEMENTS

HIGHLIGHTS

WE FIND THAT THE PRINCIPLES OF SUSTAINABLE DEVELOPMENT ARE WELL APPLIED IN OUR CURRENT OPERATIONS.

In 2014, we began posting the achievements for 2013 on the MPA's website, thereby strengthening our leadership role in sustainable development and showing the community the MPA's commitment to sustainable development.

THE EFFORTS FOR 2014 FOCUSED MAINLY ON THE FOLLOWING PRIORITIES:

- Responsible communication
- Convergence with the development of communities
- Stakeholder engagement
- Performance monitoring
- Adaptation of business processes and practices
- Competitiveness of the service offering
- Infrastructure adaptation
- Reduction in water consumption

IN THE CASE OF 6 OF THE 15 PRIORITIES IN THE FIVE-YEAR PLAN FOR SUSTAINABLE DEVELOPMENT, THE FOLLOWING TARGETS WERE ACHIEVED AND THEIR PROGRAMS COMPLETED IN 2014:

- Infrastructure adaptation
- Competitiveness of the service offering
- Reduction in water consumption
- Adaptation of management systems
- Convergence with the development of communities
- Stakeholder engagement in general

PROGRESS WAS MADE ON ALL THE OTHER PRIORITIES AND THEIR TARGETS WERE LARGELY ACHIEVED, EXCEPT FOR TALENT MANAGEMENT.

- In the case of talent management, the targets set were very ambitious and, despite our efforts, could not be achieved within the five-year plan. The organizational context and the amount of changes and restructuring also contributed to slowing the pace of goal attainment.

9 PRINCIPLES

OF THE SUSTAINABLE DEVELOPMENT POLICY



13 SUSTAINABLE DEVELOPMENT ISSUES

GOVERNANCE ISSUES

- 1 ADAPTATION OF MANAGEMENT SYSTEMS
- 2 OFFICERS' AND DIRECTORS' MANDATES
- 3 WORKING CONDITIONS
- 4 TALENT MANAGEMENT
- 5 ADAPTATION OF BUSINESS PROCESSES AND PRACTICES
- 6 RESPONSIBLE COMMUNICATION

ENVIRONMENTAL ISSUES

- 7 LIMITATION OF GHG EMISSIONS AND OTHER POLLUTANTS
- 8 REDUCTION IN WATER CONSUMPTION
- 9 WASTE REDUCTION
- 10 INFRASTRUCTURE ADAPTATION

SOCIAL ISSUES

- 11 IMPROVEMENT IN THE QUALITY OF LIFE OF THE POPULATION
- 12 CONVERGENCE WITH THE DEVELOPMENT OF COMMUNITIES

ECONOMIC ISSUES

- 13 PERFORMANCE MONITORING

2014 ACHIEVEMENTS

GOVERNANCE ISSUES

1 ADAPTATION OF MANAGEMENT SYSTEMS

OBJECTIVE

Adapt our management systems so as to ensure sound economic, environmental and social management of the MPA.

- Review of the strategic planning process and introduction of a new strategic plan for covering the period from 2014 to 2016. This plan has 10 targets, including financing, environmental and social targets. A monitoring system of the strategic plan based on performance indicators has also been instituted.
- Ongoing implementation of the Environmental Management System (EMS), begun in 2013 and based on the ISO 14000 model including procedures and the self-assessment grid.
- Integration of criteria taking into account environmental and social dimensions in the major projects developed in 2014: the restoration of Alexandra Pier and Iberville Passenger Terminal, and the container terminal project in the Viau section.
- Indexation of the Green Marine program in the MPA's Environmental Management System (EMS).

2 OFFICERS' AND DIRECTORS' MANDATES

OBJECTIVE

Ensure that responsibilities cover all three dimensions of sustainable development: social, environmental and economic.

- Implementation of the Paperless Board tool. This project was launched in 2014.
- Name of the "Environment, Safety, Health and Security Committee" changed to the "Sustainable Development and Safety Committee" to reflect our commitment to sustainable development.

2014 ACHIEVEMENTS

GOVERNANCE ISSUES

3 WORKING CONDITIONS

OBJECTIVES

Provide working conditions and supplementary programs that ensure the Port of Montreal's competitiveness and sustainability while attracting and retaining the workforce talent required to provide efficient and profitable operations.

Provide a safe and motivating work environment that fosters development, involvement and commitment of employees.

- Renewal of the group insurance contract following a call for tenders, for a period of five years, with some of the coverage updated. A cost reduction of about 13% is expected over the first year of the contract.
- Signing of the collective agreement for seafarers.
- Continuation of measures and initiatives to reduce workplace injuries and absenteeism. Workplace injuries and long-term disability were prioritized. The number of long-term absences (over three months) went from 3 in 2013 to 2 in 2014.
- Training of 19 employees on project works and what procedure to follow when asbestos is present.
- Ongoing application of the risk prevention program. the number of work accidents dropped from 22 in 2009 to 8 in 2014. the total number of days lost due to work accidents went from 201 days in 2009 to 124 days in 2013 and to 22 days in 2014.
- Turnover rates maintained at less than 2%, excluding special retirement programs.
- Control Centre improved through the installation of two ergonomic workstations.
- Installation of 6 computer stations in workshop 42 and creation of email addresses for all employees assigned to that location. This will make it possible to communicate more effectively with all employees and facilitate the dissemination of online training for all employees.

2014 ACHIEVEMENTS

GOVERNANCE ISSUES

4 TALENT MANAGEMENT

OBJECTIVES

Ensure development and skills as needed.

Ensure staff development.

Ensure that employee profiles fit with the required skills.

- Development of a skills matrix for supervisors and engineers in Infrastructure Management. This matrix ensures the versatility of resources and knowledge transfer.
- Implementation of a training program dealing with the move to Windows 8 and Office 2013 for all employees.
- A 38% decrease in the average number of training hours per employee, from 26.5 hours in 2011 to 19.9 hours in 2014. This difference is mainly due to the completion of training for 14 employees transferred to the grain terminal. the coaching program for executives continued in 2014. In addition, two lunch and learn sessions were organized to increase senior management's knowledge of various topics affecting our clients or future challenges.
- The percentage of payroll in training expenditure was 2.17% in 2014, compared to 2.01% in 2011.
- Development of a recertification program for all the employees in Railways Operations. The program aims to ensure that all Railway Operations employees know our railway regulations. All these employees (36) must be recertified in 2015.
- Ongoing development of the training program for maintenance employees on the lockout program.
- Continuation of the coaching program, providing potential assessment and an adapted training program. Four executives took part in 2014.

2014 ACHIEVEMENTS GOVERNANCE ISSUES

5 ADAPTATION OF BUSINESS PROCESSES AND PRACTICES

OBJECTIVES

Integrate sustainable development in business processes and practices.

Adapt the business processes and practices to ensure, at a minimum, compliance with federal law on sustainable development.

Strive for exemplary sustainable development in our processes and practices.

- Training of 15 employees on Part 2 of the Canada Labour Code and Bill C-21 on criminal liability as regards health and safety.
- Training of 112 employees on the MPA's emergency measures.
- Training of 13 people on the *Canada Marine Act*, and 29 people on the *Access to Information Act*.
- Training of 16 members of the Health and Safety Committee on the committee's role and responsibilities.
- Integration, on our website, of a statement containing the main components of the code of ethics, explaining the values and principles that guide the directors, officers and employees of the MPA in the conduct of activities and optimal human resources management.
- Integration of the main financial, environmental and social risks in our risk management process to ensure respect of the MPA's guidelines for sustainable development and the environment.
- Integration of environmental and social requirements in the clauses of tenders and contracts, following approval of the new procurement policy.
- In-depth review of the delegation of authority. All MPA executives were trained and each executive received a personalized delegation of powers in order to ensure respect of the principles of delegation of authority.

2014 ACHIEVEMENTS GOVERNANCE ISSUES



6 RESPONSIBLE COMMUNICATION

OBJECTIVES

Position the Port of Montreal in terms of sustainable development.

Adapt MPA's culture to sustainable development.

Make the Port of Montreal better known.



- Development of the email list of Neighbours of the Port. This list has made it possible to organize several meetings with representatives of the Port's neighbouring residents. It was also used for a postal mailing to all Neighbours of the Port (16,000 households) to invite them to attend Port in the City Day.
- Hosting Port in the City Day, that let 2,500 people tour Port facilities aboard the Cavalier Maxim cruise ship owned by AML. Five departures for a free one-hour cruise took place during the day. A group of 30 Port employees voluntarily ensures that the event runs smoothly.
- Organization of 116 visits or events in the Dominic J. Taddeo Room. These visits and events showcase the scale model, the Port of Montreal's operations and part of our marine heritage. A total of 2,519 people viewed the scale model in 2014.
- Posting in 2014 of three issues of the e-magazine *PortInfo* and 13 *PortInfo Express* press releases. These publications are mainly intended for partners in the marine industry and business people. They reach more than 1,200 subscribers.
- Launch of the "social media" campaign with activation of five communication platforms: Facebook, Twitter, LinkedIn, Instagram and YouTube. the Port of Montreal's presence in social media enables it to improve its communications with the community.

2014 ACHIEVEMENTS

ENVIRONMENTAL ISSUES

7 LIMITATION OF GHG EMISSIONS AND OTHER POLLUTANTS

OBJECTIVE

To prevent pollution and reduce environmental impacts related to air emissions.

- Continuation of the program to acquire hybrid vehicles with the acquisition of a fourth vehicle in 2014. This program reduces fuel consumption by 39% per vehicle and has resulted in a 33% drop in GHG emissions produced by our vehicle fleet compared to 2007, the base year. Furthermore, the installation of black boxes and cruise controls on railway vehicles made it possible to better monitor the mechanical condition of locomotive engines.
- A 17.3% reduction in GHG emissions per tonne of cargo handled compared to 2007, 4.3% compared to 2009.
- Start of a tree-planting program to plant 150 trees per year to offset GHG emissions on our territory.
- Renewal for a third consecutive year of Vélo-Québec booths installed at Cité du Havre and workshop 42. In addition to the booths, 15 employees took part in workshops on bike tune-ups offered to employees interested in keeping their bikes in good condition. A total of 13 employees regularly use a bike as a means of transportation to get to work in the warmer seasons.
- Continuation of the dock electrification project begun in 2013. This project consists of supplying electricity instead of fossil fuel to cruise ships and vessels wintering at the Port. The project cost is estimated at \$11 million, of which the various levels of government will pay \$8 million. We are developing timelines and planning the project in coordination with Hydro-Québec.
- Parking spots dedicated to carpooling were installed in workshop 42 in 2014.

2014 ACHIEVEMENTS

ENVIRONMENTAL ISSUES

8 REDUCTION OF WATER CONSUMPTION

OBJECTIVE

Reduce drinking water consumption.

- Finalization of the rehabilitation program for the water supply system. This program made it possible to increase system performance and water quality while reducing the amount of water used. In 2014, a milestone was passed with 1,400 metres of water pipeline rehabilitated. To date, this program has reduced annual water consumption by 800,000 cubic metres per year.
- Permanent annual reduction of 30,000 cubic metres of water volume in 2014 due to optimization of flushing routes, developed in 2012 and instituted at the end of 2013.
- No leaks in the eight water distribution networks for a third consecutive year. This performance is tied to maintenance practices based on best market practices, which have been in place since 2008.
- Development of a comprehensive wash-water treatment system during construction of the new mechanical workshop at Maisonneuve terminal. This system includes an outdoor washing slab combined with a separator of oil/grease and suspended materials along with a clarifier.
- Looping of water distribution networks No. 6 and No. 7, thereby linking both networks between Sections 96 and 98. This project makes it possible to reduce water residence time and improve its physical-chemical quality. It also substantially reduces the rinsing time needed to maintain water quality, avoiding the waste of several hundred of cubic metres of drinking water.

2014 ACHIEVEMENTS

ENVIRONMENTAL ISSUES

9 WASTE REDUCTION

OBJECTIVES

Reduce the amount of all types of waste at the MPA.

Improve waste management throughout the Port.

- Use of an innovative soil encapsulation process in the Viau sector avoided the disposal of 45,000 tonnes of soil in a landfill, which would have produced about 170 tonnes of GHG emissions. This project earned a Grand Prize for Excellence in Transportation, Environment Category, from the Association québécoise des Transports (AQTr). The Port also received the Award of Merit from American Concrete Institute (ACI) for this project and for innovative use of concrete in various infrastructure projects.
- Recovery of part of the soils excavated during the Viau project. These soils were reused in the construction of foundations for Transport Quebec's Turcot Interchange improvement project. The total volume of reused soils was close to 60,000 tonnes.
- Development of a program to attain maximum recycling of materials at workshop 42. In 2014, this program made it possible to recycle 160 tonnes of metal, 6,600 litres of waste oil, 13,040 litres of glycol and 71 tires.
- Recycling of the equivalent of 510 bins of paper, 205 kg of batteries and the equivalent of 525 green bags of plastic materials.
- Considerable reduction in the volume of paper in the procurement department due to its switch to electronic tendering in 2014.
- Obsolete computer equipment continues to be given to the computer-donation program for schools, Ordinateurs pour les écoles du Québec, and cell phones are given to Groupe Plein Emploi (workforce reintegration). In addition, 110 ink cartridges were given to the MIRA Foundation.
- Used office supplies were again given to a Hochelaga-Maisonneuve agency in support of a youth-run school retention project.



2014 ACHIEVEMENTS

ENVIRONMENTAL ISSUES

10 INFRASTRUCTURE ADAPTATION

OBJECTIVES

Integrate sustainable technologies and materials into the Port's infrastructure.
Improve energy efficiency.

- Official opening of CanEst Transit, which made it possible to rehabilitate the annex of Grain Elevator No. 3 through a project to clean and containerize grain.
- Completion of the soil encapsulation project that followed a feasibility study in 2012. As part of the Viau project, soils were stabilized on site instead of being moved to a landfill, thereby reducing the project's carbon footprint by 170 tonnes of greenhouse gas emissions.
- Continuation of the program to replace wooden railway ties on railway tracks and switches. They are being replaced with 100% recycled steel ties that have a 50-year life cycle. Composite ties made of recycled materials are also being tested. In 2014, the MPA conducted a more exhaustive test with composite ties over a distance of 100 m (180 ties) in Section 57 of the railway network.
- Adoption of the infrastructure management policy by the Board of Directors. This policy will enable the MPA to ensure better management of its infrastructure and its sustainability.
- Deepening of Berths 105 and 106 (from 9.4 m to 10.7 m). Greater water depth makes it possible for ships to carry heavier loads and, in turn, fosters a reduction in the number of trips.
- Rehabilitation by means of a structural liner (trenchless method) of 1,400 m of 250 mm and 300 mm water mains, thereby avoiding the need to dig trenches eight feet by six feet deep. the excavation was limited to pulling pits at 150 to 200 metres, resulting in a 90% reduction. This method substantially extends the life of pipes and avoids the need to dispose of large volumes of soils.
- Installation of an air curtain at the garage doors of the new mechanical workshop at Maisonneuve terminal to reduce heat losses. Also, the building's brightness was maximized by means of several high-level windows, fostering the use of natural light.



2014 ACHIEVEMENTS

SOCIAL ISSUES

11 IMPROVEMENT IN THE QUALITY OF LIFE OF THE POPULATION

OBJECTIVES

Improve community involvement on the part of the MPA and its employees.

Improve the urban integration of port activities in the community.

Support local community efforts to improve the condition of the population (education, school retention, job skills, health, security, fight against poverty and access to leisure activities and housing).



- Adoption of a new community investment policy in July 2014. Since then, \$205,699 has been invested in the form of donations and sponsorships to organizations, 70% of which was invested in neighbouring communities.

- We also continued our financial support of the Samajam Student Retention Project.

- 52% participation in the GCWCC campaign, the same percentage as in 2013.

- Handling of 35 complaints, 15 of which proved unjustified. One event alone generated 14 complaints, six unjustified. In 2013, 21 complaints were collected. To improve the situation, the Port installed five real-time measuring stations of air quality and noise on its territory. The data are made available to tenants.

- Cleanup of the shoreline along Promenade Bellerive, organized by Fednav: this activity did not take place in 2014. Fednav is studying the possibility of holding this event in the spring instead of the fall to attract more people.

- Involvement of 20 employees in various organizations. Altogether, their involvement extends the Port's reach to 70 organizations. In October 2014, Montreal Port Authority CEO Sylvie Vachon won the St. Lawrence Award conferred by SODES for her inspirational leadership in the Quebec marine industry.

- Open houses held to consult the public on the restoration project of Alexandra Pier and Iberville Passenger Terminal, as well as the expansion project of the port terminal in Contrecoeur. Altogether, more than 300 residents took part in these events.

- Use of a vibro-sinking method instead of the traditional percussion technique to drive piles into the riverbed in Sections 105 and 106 during improvement works. This new method considerably reduces the noise that could disturb the neighbourhood and marine fauna.



2014 ACHIEVEMENTS

SOCIAL ISSUES



12 CONVERGENCE WITH THE DEVELOPMENT OF COMMUNITIES

OBJECTIVES

Improve the harmonization of City and Port development plans while respecting and promoting heritage.

Foster stakeholder involvement in the development and improvement of operating activities.



- Creation in 2014 of a Good Neighbourhood Committee following the adoption of our community relations strategy. This committee brings together 17 members: representatives from terminals, carriers, the environmental community, associations of residents, local organizations and the municipalities concerned, as well as the MPA. This committee began its work in February 2015.
- Dissemination of *Logbook* in electronic format to 1,221 Friends of the Port of Montreal. This free e-magazine aims to familiarize the public with Port activities.
- Addition of a “Neighbours of the Port” section in *Logbook*. This section is intended for the Port’s neighbouring community: Contrecoeur, Ville-Marie, Mercier-Hochelaga-Maisonneuve, Montreal-East and Rivière-des-Prairies-Pointe-aux-Trembles. This forum affects the community located close to the shoreline and Notre Dame Street. It makes it possible to keep them informed about Port activities and to establish more direct communication.
- Sponsorship of Vélopousse, which organizes pedicab tours of the Mercier-Hochelaga-Maisonneuve borough. the tour includes a historic component that highlights the close relationship between this borough and the Port of Montreal. The project provides rewarding, well-paid summer jobs to neighbourhood youth while involving them in their community.
- Sponsorship of ÉcoMaris, a project whose goal is to educate young people about the environment and marine trades, help them know themselves and build confidence in themselves. For about a week, these young people experience an adventure aboard the Roter Sand sail training vessel.
- Sponsorship of heritage cruises in Pointe-aux-Trembles. the goal is to strengthen relations between the city and the Port.



2014 ACHIEVEMENTS

ECONOMIC ISSUES

13 PERFORMANCE MONITORING

OBJECTIVES

Monitor the application of the MPA's sustainable development plan.

Report on the performance of the application of the MPA's sustainable development plan.

- Monitoring of quantitative targets related to the strategic plan covering the plan's five strategic directions.
- Implementation of real estate performance indicators. This project will be completed in 2015.
- Ongoing publishing of a monthly business intelligence newsletter providing performance indicators. This business information is sent to managers and is the subject of a monthly presentation during inter-branch meetings.
- Publication of a quarterly performance report based on performance indicators affecting the various sectors of the Port. This report is presented to the Board of Directors.
- Introduction of a business intelligence newsletter.
- Participation in the 2014 Port Performance Conference, in order to identify the best measures of port productivity.
- Organization by the Port of Montreal of the annual meeting of the working group on the national initiative on Port Utilization Indicators (PUI) piloted by Transport Canada.
- Beginning in 2014, posting on our website of achievements related to our sustainable development action plan in the form of a report.



For any further information on how the Port of Montreal managed its economic issues in 2014, refer to its 2014 Annual Report, available online at http://www.port-montreal.com/files/PDF/publications/2015-05-12_rapport-annuel-2014-EN.pdf

**MONTREAL PORT
AUTHORITY**

Montreal Port Authority
2100 Pierre-Dupuy Avenue, Wing 1
Montreal, Quebec H3C 3R5
Canada

T 514 283-7011 **F** 514 283-0829

port-montreal.com



Canada