

Sustainable Development Report 2014

Section of the STM Annual Report 2014

**Combining Performance
and Customer Satisfaction**



SOCIETY
IN MOTION



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The Sustainable Development Report at a Glance

<i>Sustainable Development Plan 2020</i>	Achievements	Challenges and Issues
<p>1 Improve service to maximize the benefits of public transit</p>	<ul style="list-style-type: none"> ➤ Ridership up slightly, by 0.2%, to 417.2 million trips ➤ Satisfaction rate up, from 85% to 87% ➤ 16.8% increase in fleet of articulated buses (257 articulated buses in total) ➤ Increase, to 66%, in modal share of public transit toward downtown Montréal at morning rush hour 	<ul style="list-style-type: none"> ➤ Funding of public transit ➤ 1.1% decline in seat-km ➤ Delay in implementing iBus project ➤ Delay in delivery of new Azur metro cars ➤ Slight decline, to 31%, in modal share of public transit on the island of Montréal
<p>2 Make public transit accessible to as many people as possible</p>	<ul style="list-style-type: none"> ➤ Nine stations universally accessible ➤ 7% increase in paratransit trips ➤ Fares among the lowest in Canada 	<ul style="list-style-type: none"> ➤ Capping of government contribution to paratransit, leading to a shortfall ➤ Drop in government subsidy for service improvement
<p>3 Contribute to urban planning</p>	<ul style="list-style-type: none"> ➤ Network of bus priority measures expanded by 28.3%, for a total of 208.7 km ➤ Contributed to implementation of Train de l'Est ➤ Took part in studies for the metro extension, light-rail system on the new bridge over the Saint-Laurent (St. Lawrence) and the West Island Mobility Plan ➤ Helped draw up the Montréal Urban Agglomeration Land Use and Development Plan, local transportation plans and the integration of public transit into development projects 	
<p>4 Optimize the STM's economic contribution and performance</p>	<ul style="list-style-type: none"> ➤ Maintained A+ and Aa2 credit ratings from Standard & Poor's and Moody's ➤ 2.7% reduction in average operating cost per trip, or \$2.56 per trip ➤ \$586 million in acquisitions of goods and services, 50% of which were produced in Québec 	<ul style="list-style-type: none"> ➤ Asset sustainment deficit of approximately \$3.9 billion
<p>5 Reduce our ecological footprint</p>	<ul style="list-style-type: none"> ➤ ISO 14001-based environmental management system 63% implemented ➤ Rate of residual-material diversion from landfill increased from 60% to 66% ➤ Environmental intervention plan 2014–2017 on contaminated soil updated 	<ul style="list-style-type: none"> ➤ 2.6% increase in surface buildings' energy consumption ➤ 10 environmental non-compliance notices ➤ Postponement of work to draw up portrait of drinking water consumption

<i>Sustainable Development Plan 2020</i>	Achievements	Challenges and Issues
<p>6 Limit our atmospheric emissions</p>	<ul style="list-style-type: none"> ➤ Slight decrease in total GHG emissions and GHG emissions per passenger-km ➤ BYD electric bus tested in customer service ➤ In-service testing of auto shut-off systems on two buses 	<ul style="list-style-type: none"> ➤ Slight increase in GHG emissions per km travelled and per seat-km
<p>7 Practise sustainable procurement</p>	<ul style="list-style-type: none"> ➤ Sustainability criteria included in 73% (in terms of value) of current contracts awarded ➤ Sector guideline on sustainable procurement adopted 	
<p>8 Act as a responsible employer</p>	<ul style="list-style-type: none"> ➤ Increase in percentage of women in the workforce and in representation of visible and ethnic minorities ➤ Frequency of work-related accidents below 2015 target 	<ul style="list-style-type: none"> ➤ Severity of work-related accidents up (+26%)
<p>9 Train and equip our employees and raise their awareness</p>	<ul style="list-style-type: none"> ➤ Specific sustainable development section set up on STM intranet site ➤ Improved tools enabling employees to take sustainable development into account ➤ Training and guides provided in support of the sustainable procurement approach 	
<p>10 Engage our stakeholders</p>	<ul style="list-style-type: none"> ➤ Consulted stakeholders on priority topics in terms of sustainable development ➤ Achieved Gold Level in American Public Transportation Association Sustainability Commitment ➤ Won six sustainable development awards 	

N. B. The changes shown in the preceding table are relative to 2013 and 2014. [The Complete Table of Indicators](#) provides this information for the years 2006 to 2014.



Message from the Interim Director General Luc Tremblay

G4-1

◀◀ We are pleased to publish our *Sustainable Development Report 2014*. This seventh sustainable development report covers the STM's environmental, social and economic performance.

By offering an alternative to single-occupant car use and reducing its own greenhouse gas emissions, the STM plays a vital role in the fight against climate change for both Montréal and Québec as a whole. In 2014, ridership on regular service was up slightly, reaching a new record of 417.2 million trips, while paratransit trips rose 7%, exceeding the 2015 target set in the *Sustainable Development Plan 2020*. The increase in ridership and optimization of bus service meant that the STM's GHG emissions per passenger-km fell to 46.7 grams of CO₂ equivalent — an 11% decrease relative to 2006.

We also continued our initiatives to improve our ecological footprint. In 2014, efforts to enrich the environmental management system revolved around all of our bus operations. We have now implemented 63% of the elements contained in the ISO 14001 standard. Moreover, the rate of residual-material diversion from landfill improved, reaching 66%.

For several years, the STM has considered sustainable procurement an essential lever for action. In 2014, 73% of the value of contracts in progress included sustainability criteria. Bolstered by this experience, the STM made its commitment official and gave structure to its approach by adopting a sector guideline on sustainable procurement.

The STM's contribution to sustainable development was recognized on several occasions in 2014. Our exemplary projects garnered a total of six awards. Among them, our sustainable development approach earned the company Gold Level in the prestigious Sustainability Commitment recognition program of the American Public Transportation Association (APTA) — the world's only program of its kind specifically for the public transit industry.

As readers can see, this report has been incorporated into the STM's Annual Report, which comprises the activity, sustainable development and financial reports. The *Sustainable Development Report 2014* also now meets Global Reporting Initiative (GRI) G4 requirements, whereby we carried out a consultation of our stakeholders on their sustainable development concerns to ensure that this report would fulfil their needs.

In closing, I would like to note the contribution made by internal and external stakeholders in implementing our sustainable development approach. Their mobilization is a crucial key to the success of our *Sustainable Development Plan 2020*. ▶▶

About This Sustainable Development Report

The Société de transport de Montréal (STM) provides public transit service for the entire Montréal urban agglomeration, covering a territory of 500 km² with approximately 1.7 million inhabitants. The users of its network come from all over the greater Montréal area (about 8,000 km² and 4 million inhabitants).

G4-3, G4-5,
G4-6, G4-8

Continuing from the 2008 to 2013 sustainable development reports, this report in the Annual Report 2014 discusses the STM's environmental, social and economic performance. It revolves around the priorities of the *Sustainable Development Plan 2020*.

G4-29, G4-30

This Sustainable Development Report has been drawn up in compliance with the STM's sustainable development policy and *Sustainable Development Plan 2020*, the Global Reporting Initiative G4 guidelines (Core in Accordance) and the Sustainable Development Charter of the International Association of Public Transport (UITP).

G4-32

The Sustainable Development Report covers the period from January 1 to December 31, 2014. It has not been audited by an external third party. Unless otherwise indicated, all of the STM's sites and activity sectors are included in the report. During this period, no major change occurred in the company's size, structure or capital.

G4-13, G4-17, G4-20, G4-21,
G4-23, G4-28, G4-32, G4-33

All of the indicators presented in the Sustainable Development Report and the *Complete Table of Indicators* that accompanies it have been calculated using a documented method and have undergone a stringent collection and validation process. These steps ensure the accuracy and traceability of all the data. Whenever the information is available, the different indicators for the years 2006 to 2014 are shown.

This Sustainable Development Report is intended for all of the STM's stakeholders. To complement the report, a *complete table of indicators* and a *GRI G4 Content Index* are available in an appendix and in the sustainable development section of the STM website (www.stm.info/dd). For any questions about this Sustainable Development Report, contact dd@stm.info.

G4-31, G4-32

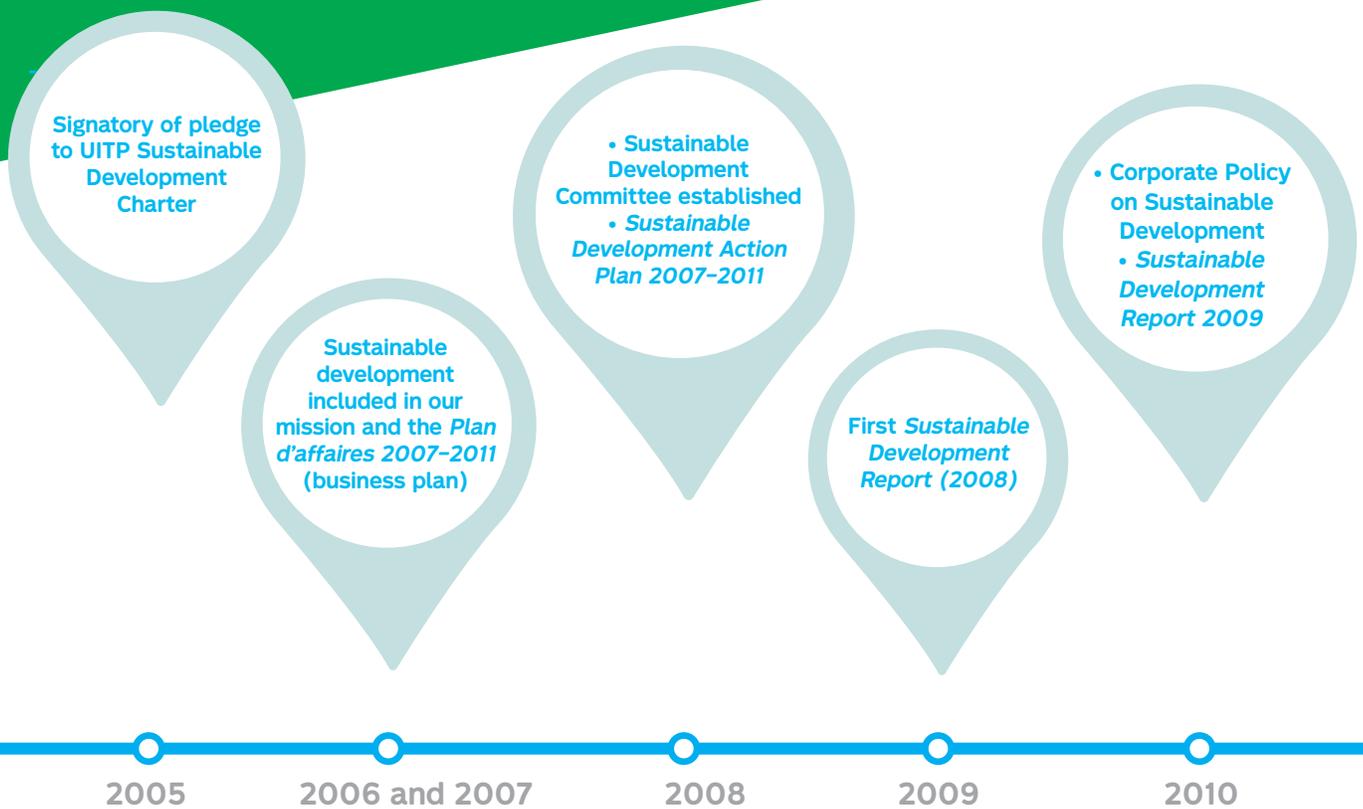
Complete
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Indicators >

GRI G4
Content
Index >

G4-15, G4-16

The STM's Sustainable Development Commitments

The STM's sustainable development commitment is formally expressed in its Corporate Policy on Sustainable Development adopted in 2010 and its *Sustainable Development Plan 2020* adopted in 2013. The Plan follows up on the *Sustainable Development Action Plan 2007-2011* and ties in with the *Strategic Plan 2020*, one of whose six priorities is to place sustainable development at the centre of all the STM's decisions.



The STM has also made a number of external commitments:

It is an active, involved partner in the 2010–2015 sustainable development plan for the Montréal community.

It is a partner in Montréal’s Transportation Plan and the Montréal Development Plan, “Montréal for Tomorrow.”

It provides major support for the sustainable development committee of the Association du transport urbain du Québec (ATUQ).

It is a contributor to and board member of the Espace québécois de concertation sur les pratiques d’approvisionnement responsable (ECPAR).

It is a member of the UITP and APTA sustainable development committees.



New sustainable development policy

Through its mission and its public transit activities, the Société de transport de Montréal contributes directly to society's efforts toward sustainability. It is committed to mobilizing employees, customers and partners to maximize the social, environmental and economic benefits derived from its activities.

As a key player in sustainable mobility in Montréal and in Québec as a whole, the STM pledges to:

- Maintain its efforts to offer public transit service that is reliable, safe and accessible to everyone.
- Place sustainable development at the centre of its decisions.
- Continuously improve its social, economic and environmental performances in:
 - its relations with employees and customers
 - the operation and maintenance of its transit networks and facilities
 - the planning, design and execution of its projects
 - its procurement processes
 - its relations with stakeholders, that is, the individuals, groups or organizations concerned by the company's activities
- Inform and mobilize its employees, customers and suppliers so that they adhere to the principles of sustainable development and abide by its requirements.
- Maintain its efforts to prevent and reduce pollution, and to minimize its ecological footprint, in particular through its environmental management system.
- Comply with, and even exceed, legal requirements and other commitments related to the environmental, social and economic aspects of its activities, products and services, according to the resources available.
- Work in partnership with other sustainable development stakeholders at the local, regional, national and international levels.
- Create and support a movement for sustainable mobility in order to fight climate change and improve the competitiveness of the Montréal urban agglomeration as well as its residents' quality of life.
- Contribute to local and regional socio-economic development.

G4-14

Adopted by the Board of Directors in 2010 and updated in 2014



Materiality Analysis

G4-18, G4-19, G4-24, G4-25, G4-26

Consultation of internal and external stakeholders is a major component of the STM's sustainable development approach. We conducted an initial external consultation in 2009, and a second one in 2013, focusing mainly on this approach.

Internal Stakeholders	External Stakeholders
<p>2008: Consultation on the Sustainable Development Action Plan 2007–2011</p>	<p>2009: Consultation, through discussion groups, of 38 individuals from environmental organizations, universities, companies, the municipal, provincial and federal governments, other transit authorities and sectoral associations, on the STM's approach and its <i>Sustainable Development Report 2008</i></p>
<p>2012: Consultation for drafting of the Sustainable Development Plan 2020</p>	<p>2013: Consultation, through personal interviews, of 22 individuals from 15 external organizations and companies (partners and experts, SD managers in large corporations, members of different levels of government and sectoral associations, transit authorities) on the materiality of the issues, actions, indicators and targets in the <i>Sustainable Development Plan 2020</i></p>

To further extend this effort, the STM initiated a new consultation of its internal and external stakeholders in 2014, focusing on the prioritization of sustainable development issues.

Identification of issues

In fall 2014, a list of 27 issues based on the *Sustainable Development Plan 2020* was drawn up. To ensure that it was comprehensive, this list was submitted to internal stakeholders (Sustainable Development Committee, Executive Committee, Board of Directors Governance, Ethics and Sustainable Development Committee) and to 26 representatives of external stakeholders. We were thus able to improve the list of issues in various ways, including the definitions of each topic.

Prioritization of issues

The list of 27 sustainable development issues was then submitted to internal and external stakeholders for prioritization through an electronic survey in January 2015.

The following internal stakeholders were invited to take part:

- ▶ Board of Directors Governance, Ethics and Sustainable Development Committee
- ▶ Expanded Executive Committee
- ▶ Employees: 256 employees responded to the online survey, which was distributed in the company's in-house publications (web and paper). All employees were invited to participate.

Externally, 2,400 customers and 32 representatives of stakeholders took part in the prioritization exercise. Customers were consulted via the "My Voice, My STM" community, made up of around 8,000 voluntary members who are surveyed regularly on different topics related to public transit. In addition, the STM contacted 65 stakeholder organizations: government agencies, municipalities, associations involved in public transit, sustainable development and universal accessibility, experts in sustainable mobility and urban planning, and economic stakeholders.

External stakeholders consulted

Type of stakeholder	Organizations
Governments and municipalities	<ul style="list-style-type: none"> ➤ Communauté métropolitaine de Montréal ➤ Agence métropolitaine de transport ➤ Ville de Montréal, sustainable development division ➤ Ville de Montréal, infrastructure, roads and transportation department ➤ Agence de la santé et des services sociaux de Montréal
Customers	<ul style="list-style-type: none"> ➤ 2,400 customers surveyed
Universal Accessibility Committee	<ul style="list-style-type: none"> ➤ Ex aequo ➤ Comité régional des associations pour la déficience intellectuelle ➤ Association du syndrome de Usher du Québec ➤ Montreal Steering Committee on Seniors ➤ Regroupement des usagers du transport adapté
Public transit associations	<ul style="list-style-type: none"> ➤ Association du transport urbain du Québec ➤ Canadian Urban Transport Association ➤ Transport 2000
Transit authorities	<ul style="list-style-type: none"> ➤ Société de transport du Saguenay ➤ Société de transport de Lévis ➤ Société de transport de Sherbrooke ➤ Société de transport de Laval ➤ Société de transport de l'Outaouais ➤ Société de transport de Trois-Rivières

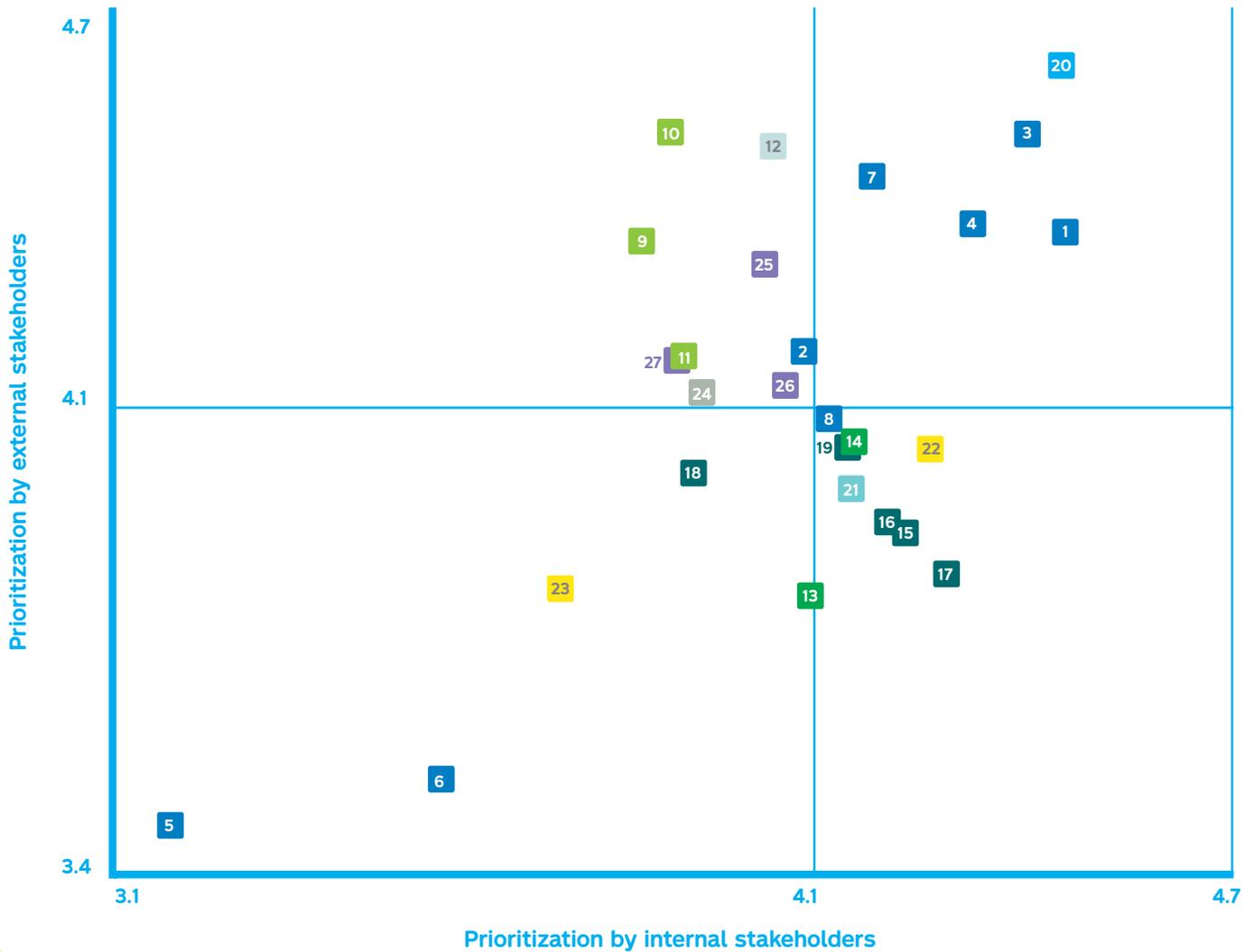
Type of stakeholder	Organizations
Local stakeholders in the field of transportation	<ul style="list-style-type: none"> ➤ Développement économique Saint-Laurent (DESTL)'s transportation management association (CGD) ➤ Voyagez Futé / Mobiligo ➤ Vélo Québec ➤ Aéroports de Montréal
Experts in sustainable mobility	<ul style="list-style-type: none"> ➤ Mobility Research Chair, École Polytechnique de Montréal ➤ Observatory of sustainable mobility
Environment / sustainable development	<ul style="list-style-type: none"> ➤ Conseil régional de l'environnement de Montréal ➤ Conseil patronal de l'environnement du Québec ➤ Association québécoise de lutte contre la pollution atmosphérique ➤ Vivre en ville
Corporate partners	<ul style="list-style-type: none"> ➤ Hydro Québec ➤ Gaz Métro ➤ Coopérative des propriétaires de taxi de l'Ouest Métropolitain
Urban planning and development	<ul style="list-style-type: none"> ➤ Institut d'urbanisme, Université de Montréal ➤ Ville de Montréal, urban planning and economic development department
Economic stakeholders	<ul style="list-style-type: none"> ➤ Chambre de commerce de l'Est de Montréal ➤ Board of Trade of Metropolitan Montreal

G4-19, G4-27

Results of materiality analysis

The survey results allowed us to confirm the materiality of the STM's sustainable development topics. Of the 27 issues that were prioritized, 23 received an importance rating greater than 4 (on a scale of 1 to 5, with 5 being the top rating). Based on the results of the materiality analysis, it was decided to discuss 25 of the 27 issues in this Sustainable Development Report. Only "Architectural and cultural heritage of the metro network" and "Protection of personal information" will not be covered.

The following figure presents the results of the materiality analysis. The issues are colour-coded according to the 10 priorities in the [Sustainable Development Plan 2020](#).



¹An entire section of the Activity Report is devoted to "Architectural and cultural heritage of the metro network."

1 Improve service to maximize the benefits of public transit

- 1. Ridership and emissions avoided
- 2. Transportation mix – intermodality
- 3. Funding of public transit
- 4. Service offering
- 5. Architectural and cultural heritage of the metro network
- 6. Protection of personal information
- 7. Service quality and customer experience
- 8. Operational safety and security

2 Make public transit accessible to as many people as possible

- 9. Fare affordability
- 10. Universal accessibility
- 11. Services adapted to people with functional limitations

3 Contribute to urban planning

- 12. Contribution to urban planning

4 Optimize the STM's economic contribution and performance

- 13. Economic contribution
- 14. Economic performance and efficiency

5 Reduce our ecological footprint

- 15. Resource consumption and residual materials
- 16. Soil contamination
- 17. Drinking water and waste water
- 18. Impacts on area residents
- 19. Sustainable infrastructure (buildings, networks)

6 Limit our atmospheric emissions

- 20. Atmospheric emissions, GHGs and transportation electrification

7 Practise sustainable procurement

- 21. Sustainable procurement

8 Act as a responsible employer

- 22. Healthy, safe and inclusive working environments
- 23. Community involvement

9 Train and equip our employees and raise their awareness

- 24. Sustainability training and awareness for employees

10 Engage our stakeholders

- 25. Contribution to the advancement of sustainable development and sustainable mobility
- 26. Sustainability governance
- 27. Relations with stakeholders

Priority 1

Improve Service to Maximize the Benefits of Public Transit

Compared to single-occupant car travel, public transit offers many environmental, social and economic benefits. The STM's mission is to provide its customers with reliable, fast, safe and comfortable service. We also strive to facilitate intermodality and complementarity with modes of transportation such as walking, biking, carpooling, car sharing and trains. We are fully aware of the vital role the STM plays in the city's sustainable development and consequently aim to continually improve our service in order to persuade more drivers to take public transit.

Service, ridership and emissions avoided

G4-ECT

In 2014, ridership rose by 0.2% to reach a new record of 417.2 million trips. This brings it to within 1.4% of the 2015 target of the *Strategic Plan 2020* and represents growth of 3.1% since 2011.

Among other benefits, public transit offers its users access to more efficient, environment-friendly modes of transport. The 417.2 million public transit trips taken in 2014 make a significant contribution to reducing transportation-related emissions of greenhouse gases (GHG) and airborne pollutants in the greater Montréal area.

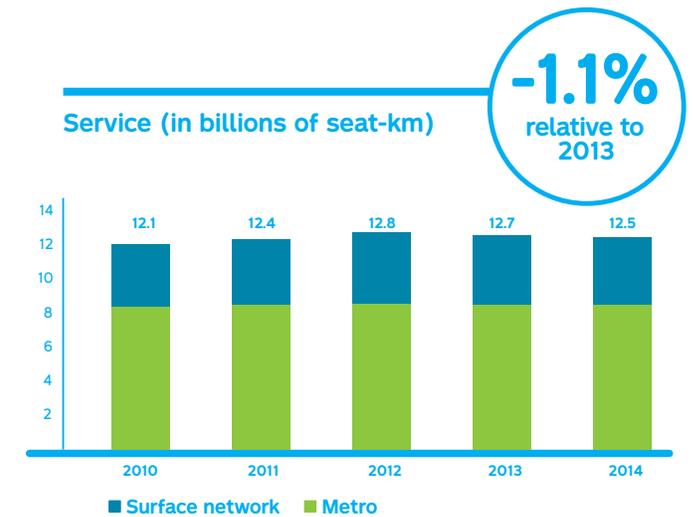
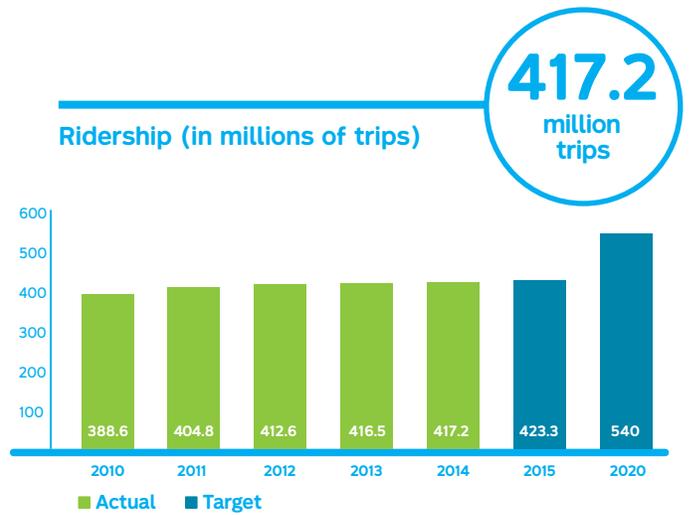
The STM was able to optimize service on its bus network, and maintained service on the metro network. Overall, this optimization resulted in a 1.1% decrease in seat-km.

For the launch of the Train de l'Est, the STM started up three new collective-taxi services and optimized its bus service.

To improve service, we acquired 37 new articulated buses, bringing the total to 257, for a 16.8% increase in this type of vehicle. The acquisition of new hybrid buses was postponed to 2016, since no additional buses were required for our service offering.

The first prototype Azur train was delivered in 2014 for testing in the STM's workshops and tunnels. Upon conclusion of these tests, a second train was to be delivered for in-service testing at the end of 2014. However, issues related to the train control software meant a delay in delivery of the second train until 2015. We therefore optimized the maintenance program for our MR-63 cars, which posted their best year ever in terms of reliability.

Previously scheduled for 2014, the launch of the iBus bus scheduling and passenger information system was postponed until 2015 due to technical issues. The iBus system is to be set up at the STM's eight bus garages and on the 1,700 buses in its fleet. When fully implemented, it will allow customers to access schedules in real time, among other features.



2013 Origin-Destination survey: Growth in public transit use

The results of the tenth Origin-Destination survey were announced in 2014. Conducted in fall 2013, this survey of 78,831 households paints a picture of the daily comings and goings of greater Montréal area residents and includes all modes of transportation. The survey has been carried out every five years since 1970 and is the second-largest study of its kind, after the national census.

The survey results indicate an increase in public transit use, and particularly in the modal share of public transit for travel toward downtown Montréal during the morning rush hour, which rose from 63% to 66% between 2008 and 2013. It is further noteworthy that active transportation in Montréal is thriving, with 54% growth in bicycle use and a 7% rise in walking.

However, the modal share of public transit on the island of Montréal declined slightly, mainly owing to an increase in car trips made for reasons other than work or study (recreation, shopping, other).

Funding of public transit

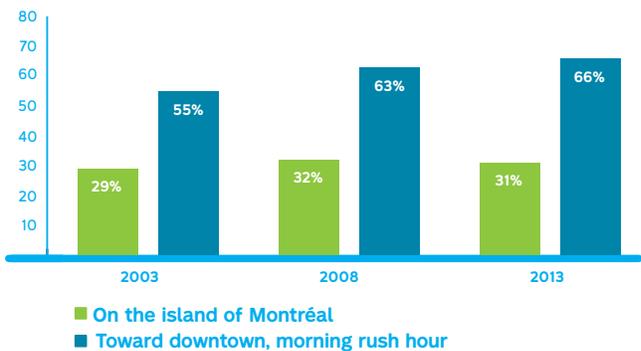
The current budgetary climate in Québec has had impacts on all public sectors, including the STM. At the same time, transit demand is rising steadily and exerting upward pressure on the STM's expenditure. We have implemented optimization measures for a number of years. However, despite this tight cost control, expenses will continue to rise faster than revenue, mainly as a result of net debt service stemming from efforts to eliminate the asset sustainment deficit.

The Québec government's service improvement program calls for cities to contribute 50% at a time when they are experiencing a great deal of difficulty increasing their funding through existing sources. To ensure long-term continuity of public transit service and expand it, new dedicated, indexed and recurring revenue sources are necessary.

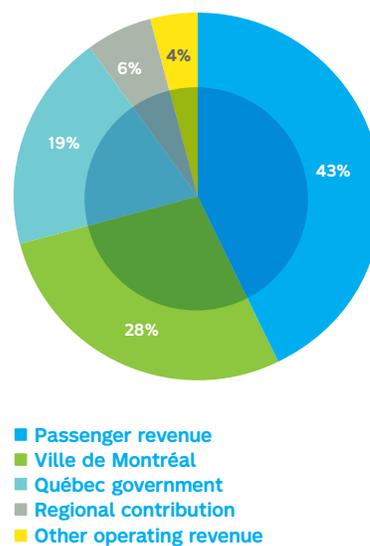
66%

of trips toward downtown Montréal use public transit

Modal share (all modes combined) of public transit on the island of Montréal



Breakdown of STM operating revenue in 2014



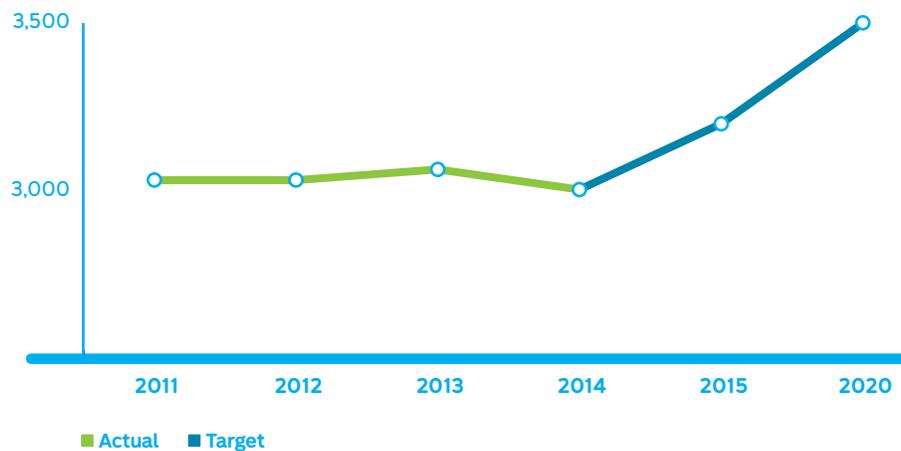
Integrated mobility

To promote integrated mobility, the STM wants to promote the use of active and complementary modes of transportation through service that combines bicycle use and car sharing with modes of public transit. Accordingly, we maintained our partnerships with Bixi and Communauto in 2014.

The STM considers biking a complementary mode of transit that is part of the transportation mix. We therefore encourage biking/public transit intermodality and, in recent years, have improved bicycle access to the metro network under specific conditions and schedules, added bicycle parking spaces next to metro stations and equipped buses on eight lines with bike racks.

In 2014, a field survey was carried out to make an inventory of bicycle stands next to the stations in the network. This exercise yielded a count of 3,004 stands, 2% fewer than the 2013 estimate. A portrait of current use of the stands was then drawn up so that their distribution can be optimized.

Number of bicycle parking spaces next to stations in the network



Outlook for 2015

Arrival of new Azur metro cars for testing prior to start-up of service

Launch of iBus bus scheduling and passenger information system

Improvement of partnerships with Bixi and Communauto



Priority 2 Make Public Transit Accessible to as Many People as Possible

To optimize the social benefits of public transit, the STM aims to make its service accessible to as many people as possible. This priority demonstrates the STM's efforts to improve the universal accessibility of the regular network, the availability of paratransit service for people with functional limitations and a diversified fare structure that is affordable for all citizens.

Universal accessibility

G4-EC7, G4-DMA, INDIRECT ECONOMIC IMPACTS

In 2014, we continued our initiatives under the STM's *Universal Accessibility Development Plan 2012-2015*.

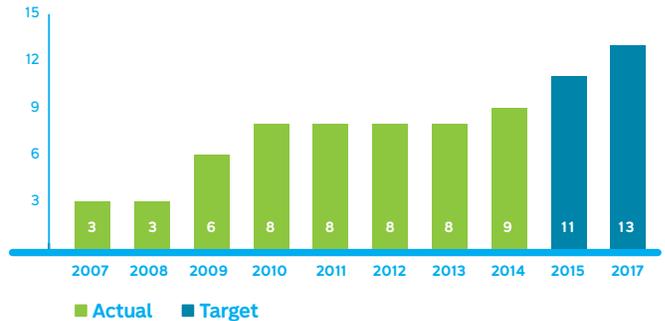
The metro system was not originally designed to be universally accessible. Consequently, adding elevators to the stations poses greater technical complexity and calls for substantial investments. Work to renovate Champs-de-Mars station and make it universally accessible has been completed, and the process of making Jean-Talon and Snowdon stations likewise accessible was under way at the end of 2014. In addition, work to raise the platform to improve accessibility for people with reduced mobility was carried out at 14 stations.

On the surface network, 95% of bus lines were wheelchair-accessible.

We also initiated efforts to update the *Universal Accessibility Development Plan 2012-2015*. A series of workshops with customers with various deficiencies yielded a clearer definition of the issues involved in using the network.

Further, an evaluation of the maturity of the STM's universal accessibility practices was made and was shared with the universal accessibility committee. This diagnosis will serve as the basis for updating the Plan.

Number of metro stations equipped with elevators



Paratransit

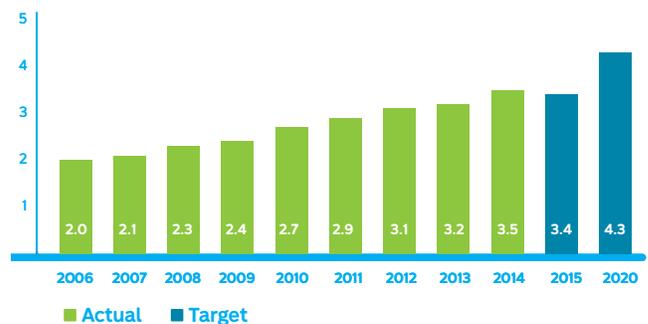
To complement the efforts made to achieve universal accessibility of the regular network, the STM offers door-to-door paratransit service that contributes to the social, professional and economic inclusion of people with functional limitations. In 2014, more than 27,000 people made use of this service. In response to growing demand from this customer segment, paratransit trips increased by 7%, to reach 3.46 million.

It should be noted that the Québec government's paratransit subsidy program has been capped since 2012 and the STM on its own must absorb the substantial growth in trips by this customer segment. To meet this demand, the STM will invest an additional \$2.5 million in 2015, increasing service to 3.6 million trips, for 3.7% growth compared with 2014.

To enhance paratransit performance and the customer experience, the STM is developing the "EXTRA Connect" project, a scheduling and passenger information system.

Under this project, the switch to new service planning software was completed in late 2013. In 2014, use of this new tool helped us optimize the way we deliver service, generating over \$1 million in savings.

Number of paratransit trips (in millions)



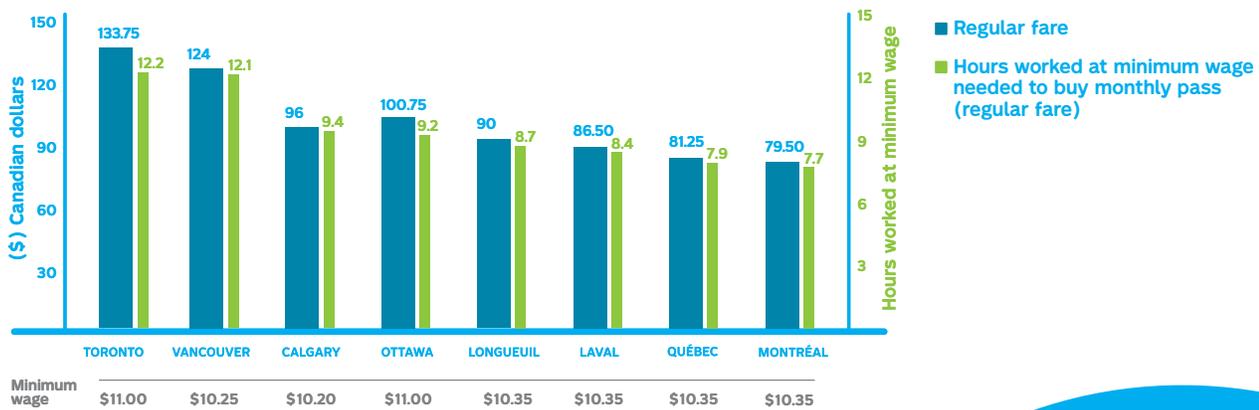
Fare affordability

Fares are also essential to making the STM network accessible to as many people as possible. Reduced fares are available for such segments as students and seniors, who accounted for 32% of trips in 2014.

In addition, free transportation is offered for children age five and under at all times, as well as for children age 6 to 11 under certain programs like *Family Outings*.

To evaluate the affordability of the Montréal network, the STM compares the number of hours worked at minimum wage that are needed to buy a monthly pass. According to this analysis, our regular and reduced fares are still among the lowest for large Canadian urban centres.

Comparison of the cost of a monthly pass in various Canadian cities



Champs-de-Mars station universally accessible

95% of bus lines wheelchair-accessible

3.46 million paratransit trips

Outlook for 2015

Continued drafting of the STM's Universal Accessibility Development Plan 2016-2019

One new metro station equipped with elevators (Jean-Talon) and work under way at Snowdon station

Ongoing implementation of "EXTRA Connect" project and confirmation of its funding

Identification of new sources of paratransit funding

Gradual rollout of remote OPUS-card reloading to all customers

Priority 3 Contribute to Urban Planning

The STM considers land-use planning and development a key to the success of sustainable mobility. We consequently continued to play a strategic role in urban planning. Participating in the city's major planning projects facilitates the early integration of public transit and active transportation.

Contribution to metropolitan transportation projects and integration of public transit into development projects

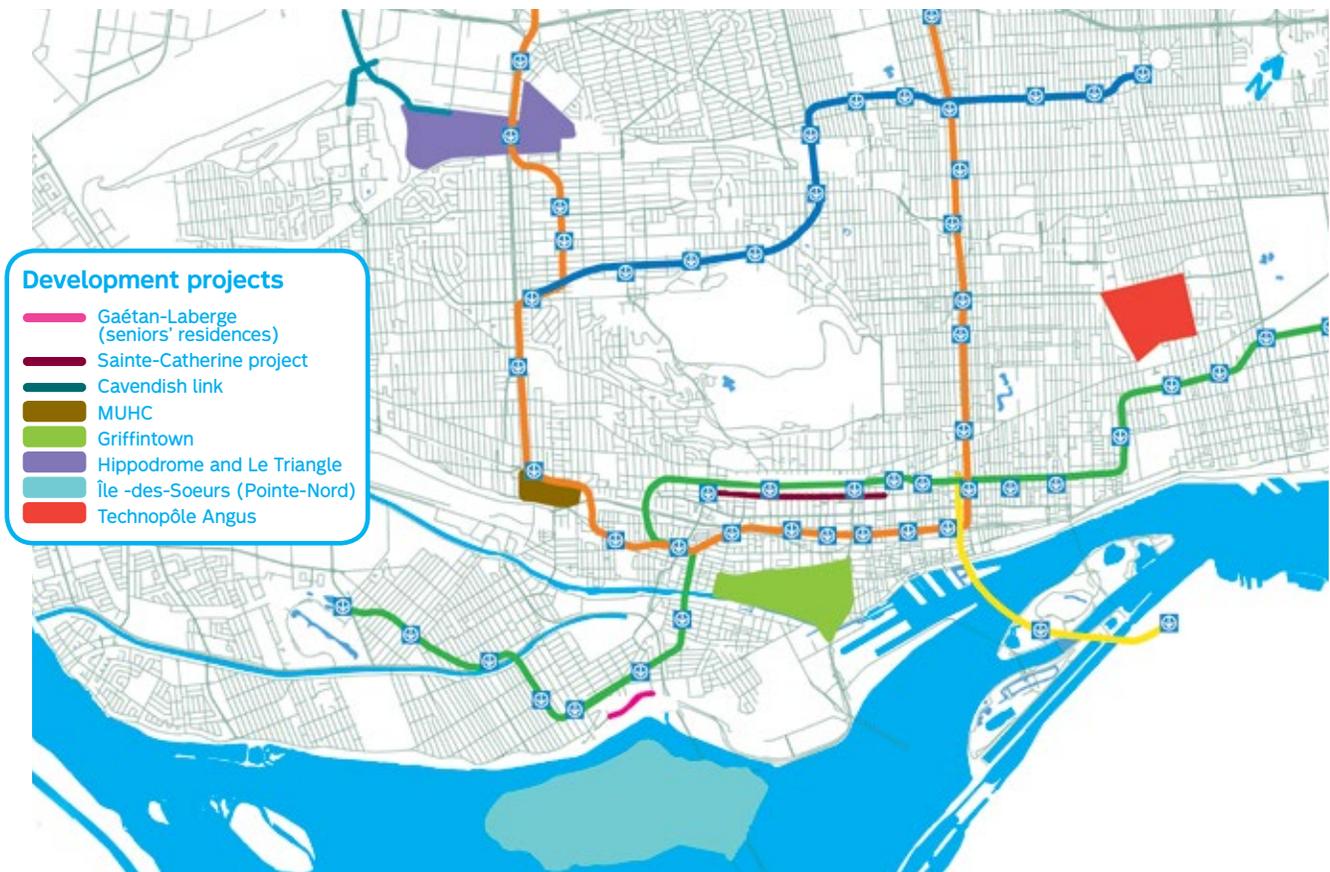
G4-DMA LOCAL COMMUNITIES

In 2014, the STM took part in drafting the Montréal Urban Agglomeration Land Use and Development Plan and in preliminary work to update the city's Transportation Plan 2008. We also helped draw up local transportation plans, including those for Rosemont-La Petite-Patrie, which was finalized in 2014, and for Montréal-Nord and Mercier-Hochelaga-Maisonneuve, which are still being developed.

In addition, the STM collaborated on projects and studies for metropolitan public transit, such as the new Train de l'Est

line, bus rapid transit on Boulevard Pie-IX, extension of the metro's blue line, new bridge over the Saint-Laurent and West Island Mobility Plan.

Finally, we kept up our dialogue with the city of Montréal, its boroughs and connected cities with a view to integrated planning of transportation within development projects. In 2014, we were involved in various initiatives for integrating public transit into the projects shown on the following map.



Bus priority measures

To lessen the impacts of congestion on its service, the STM makes use of bus priority measures (reserved lanes and priority traffic lights). These measures have proven their worth in improving bus service efficiency, punctuality and regularity while also yielding financial savings and reductions in atmospheric emissions.

In December 2014, the network included 208.7 kilometres of priority measures, a 28% increase over 2013. The new stretches were located mainly on Sherbrooke West, Boulevard Viau, Rue Grenet and highways 40 and 20.

G4-S01

28%
increase in bus
priority measures

Bus priority measures (in km)



Outlook for 2015

Contribution to Montréal's updated Transportation Plan

Contribution to studies for extending the metro's blue line, the new bridge over the Saint-Laurent and the West Island Mobility Plan

Addition of new bus priority measures

Continued studies for implementing a bus rapid transit system on Boulevard Côte-Vertu (BRT program)

Priority 4

Optimize the STM's Economic Contribution and Performance

A+

Standard & Poor's

Aa2

Moody's

Economic performance and efficiency

In 2014, the Standard & Poor's and Moody's credit rating services once again recognized the STM's careful management by awarding it A+ and Aa2 credit ratings.

However, the STM is concerned by major funding issues. It is currently dealing with an asset sustainment deficit estimated at \$3.9 billion. While investment has been stepped up in the last decade, investment in asset sustainment will have to be increased between now and 2020 to reduce the deficit. In its three-year capital plan 2015–2017, the STM anticipates that 85% of the \$2.5 billion in investments will be devoted to asset sustainment.

Recognizing these issues, the STM decided in 2014 to [extend the service life of its MR-73 metro cars by 20 years](#), thereby generating net savings of about \$500 million. This decision is based on the excellent performance and good service record of this rolling stock.

We continued to invest in asset sustainment with projects including the refurbishment of a section of the tunnel roof on the yellow line and in Bonaventure and Henri-Bourassa stations, and renovations at Berri-UQAM, McGill, Guy-Concordia, Frontenac and Jean-Drapeau stations.

Economic contribution

The STM's operations create value for Québec society as a whole. Investments in public transit help generate wealth, create jobs and stimulate the local economy.

In 2014, acquisitions of goods and services² totalled \$586 million, down 17% from 2013. The amount of our acquisitions varies from year to year, depending on STM projects and the nature of the activities carried out. The acquisition of articulated buses and construction of the Stinson bus garage in 2013 helped boost this amount. This exceptional expenditure largely

explains the difference between 2013 and 2014. In addition, efforts made in 2014 to reduce expenses because of the current budgetary climate meant lower operating costs.

To measure its contribution to the Québec economy, the STM uses the input/output model of the Québec government's Institut de la statistique. According to this model, 50% of goods and services acquired in 2014 were produced in Québec. This expenditure helped sustain 3,344 jobs in addition to those of the STM's 9,544 permanent and temporary employees.

Indicator	2010	2011	2012	2013	2014
Acquisitions of goods and services (\$M)	796	665	578	709	586
Percentage of acquisitions of goods and services produced in Québec (%)	41%	43%	47%	48%	50%
Number of jobs sustained by acquisitions of goods and services	3,753	3,476	3,397	4,200	3,344
Tax spinoffs attributable to acquisitions of goods and services (\$M)	82	76	73	94	76
Tax spinoffs attributable to employee salaries (\$M)	134	146	156	159	136

² STM expenditure, excluding the financial expenses, taxes and expenses of Transgesco, a commercial subsidiary of the STM.



50%

of acquisitions
produced in Québec

2.7%

reduction in average
operating cost per trip

Priority 5

Reduce Our Ecological Footprint

While public transit is an effective means of helping to fight climate change and reducing congestion, operating a network generates impacts on the water, air, soil and resources. The STM is aware of this important issue and has consequently implemented numerous measures to reduce these impacts responsibly.

Progress of the environmental management system

In 2014, the STM continued to improve its environmental management system, focusing its efforts on the bus sector. Over the year, the significant environmental aspects were identified and prioritized, and objectives were set. At year-end, approximately 63% of elements based on the ISO 14001 standard had been implemented.



Environmental non-compliance notices

In 2014, the STM received 10 environmental non-compliance notices:

- ▶ Five non-compliance notices concerned updates of permits and certificates; three of them were settled in 2014 and two will be resolved in 2015.
- ▶ Four notices that concerned the exceeding of wastewater disposal standards stemmed from a tightening of regulations. Corrective measures are being implemented; they include replacing all cleaning products with environment-friendly products and updating employee training.
- ▶ One notice dealt with instituting measures related to a diesel facility. These measures will be instituted in 2015.

Drinking water

Due to budgetary issues, part of the work planned to improve the portrait of drinking water consumption was postponed. Consumption was measured at four representative sites: a bus garage, a metro car minor overhaul shop, a metro car maintenance facility and a metro station. Once completed, these studies will allow us to finalize the consumption portrait and adopt a reduction plan.

In addition, to comply with city of Montréal by-laws and the regulations and codes administered by the Régie du bâtiment du Québec, the STM drew up an action plan to cover the installation of water meters and anti-backflow devices, implementation of water recycling systems for its bus wash facilities (7 of its 19 bus wash facilities are already equipped with this type of system) and integration of solenoid valves in the metro network air-conditioning systems.

Soil contamination

We launched the environmental intervention plan 2014–2017, which follows up on the previous plan and covers all actions related to contaminated soil. Ongoing work included producing environmental site characterizations at the Saint-Michel, Saint-Laurent, Frontenac and Legendre bus garages, and the Elmhurst terminus. As part of a construction project at the Saint-Denis bus garage, 33.6 tonnes of contaminated soil was sent to a treatment centre. Additionally, in preparation for the reconstruction of the Crémazie complex, we carried out a characterization study and a geotechnical study.

Management of residual materials

In 2014, the rate of residual-material diversion from landfill rose 6 points to reach 66%. The growth of this indicator is partly related to certain non-recurring activities during the year (disposal of rolling stock at the end of its service life, materials resulting from construction/renovation/demolition projects, etc.). The trend shown by this indicator has been favourable since 2006, reflecting the steps taken in this regard.

The STM also intends to implement its reclamation plan for the MR-63, its first-generation metro cars from 1966, which will be gradually removed from the network and replaced by the new Azur metro cars. With a view to optimizing reclamation and sustainability, the STM, in collaboration with the Centre de transfert technologique en écologie industrielle, made a complete characterization of residual materials and residual hazardous materials contained in the metro cars, as well as a study of potential options. At the same time, we are also discussing and working actively with developers and organizations to promote special projects aimed at giving some MR-63 cars a second life.

Management of residual hazardous materials

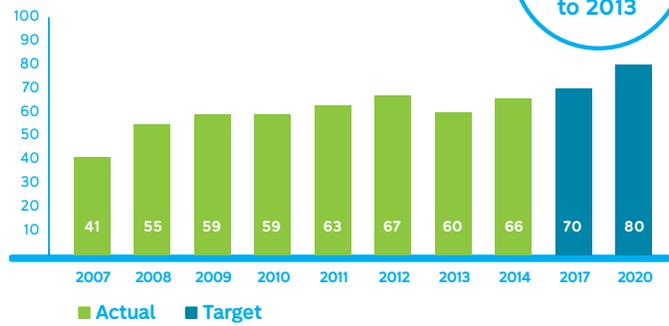
The quantity of residual hazardous materials generated rose by 47.7%. This increase is attributable to a change in the method of managing drainage waste. In previous years, this waste was allowed to settle and only the solid portion was collected by an outside supplier. Since 2014, the outside supplier has pumped out the drainage systems without settlement of the materials, which now takes place at the supplier's facilities.

The volume of waste detergent solutions, on the other hand, declined by 14.6% in 2014. This decrease is the result of the shutdown of three parts-washing units at the metro car major overhaul shop since September 2013. New washing units designed to reduce, at source, the volume of detergent solutions are currently being installed.

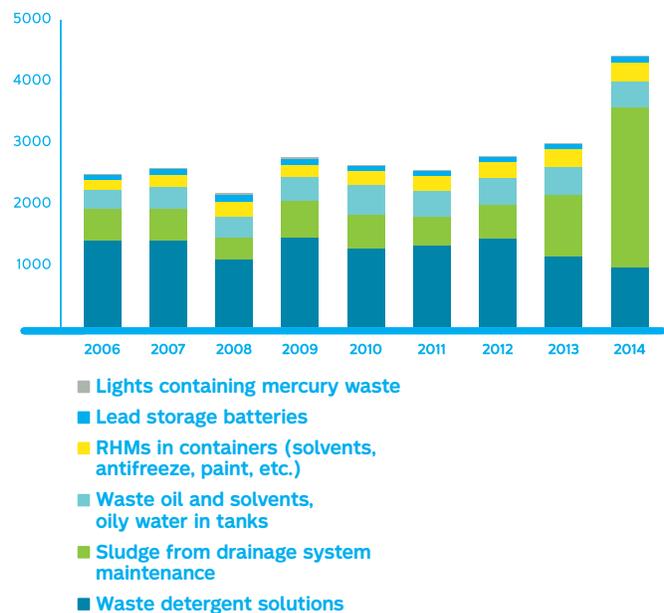
66%
rate of diversion
from landfill

Rate of residual-material diversion from landfill

+6
relative
to 2013



Residual hazardous materials recovered (tonnes)



Sustainable infrastructure

In January 2014, the new Stinson bus garage, designed to LEED Gold standard, went into operation. This new infrastructure consumes, on average, 60% less energy per m² than the STM's other surface facilities. Bolstered by this experience, we are also aiming for LEED certification for the reconstruction of the Crémazie complex.

The STM is working to improve the energy efficiency of its existing buildings. In 2014, the heating, ventilation and air-conditioning (HVAC) systems at the Legendre bus garage were analysed to determine any potential gains. Renovation of the HVAC systems at the metro car major overhaul shop,

which began in 2013, was completed. In addition, an inventory of station lighting systems was updated; this will ultimately enable us to identify potential energy savings.

The average energy consumption of our surface buildings was 613.3 kJ/m²/degree-day of heating in 2014, a 2.6% increase over 2013. Because of the complexity and uses of STM sites, this trend cannot be clearly explained. Facility and system operations have an impact on energy consumption. For example, more frequent opening of garage doors to allow buses to drive in and out can affect a bus garage's energy consumption.



Outlook for 2015

Environmental management

- Full implementation of environmental management system for the metro network

Energy efficiency

- Implementation of solutions to optimize HVAC systems at the Legendre bus garage
- Replacement of lighting systems at six stations on the blue line
- Pilot project for LED station lighting
- Centralization of air compressors at the metro car major overhaul shop in order to eliminate water consumption and recover heat in the building

Hazardous residual materials

- Start-up of new parts-washing units, for at-source reduction of waste detergent solutions

Drinking water

- Planning of measures related to compliance with city of Montréal by-laws and Régie du bâtiment du Québec regulations on the use of drinking water



Priority 6 Limit Our Atmospheric Emissions

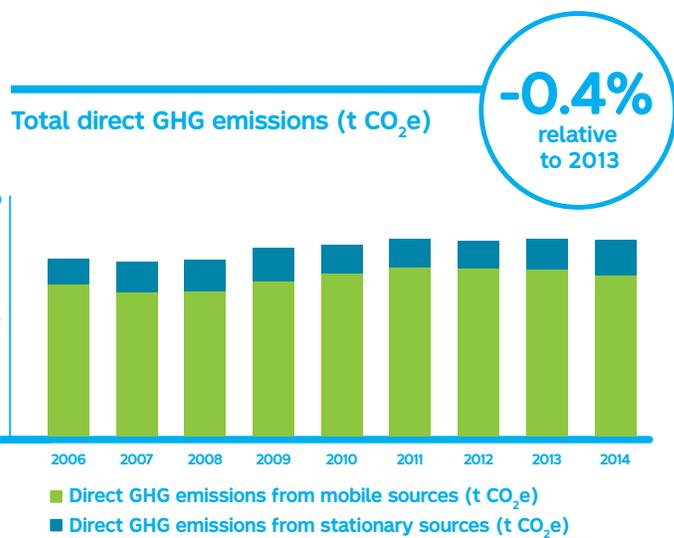
Atmospheric emissions are the main source of the STM's environmental impact. Even though public transit has a small carbon footprint compared with automobile travel, we are continuing our efforts to reduce our emissions of GHGs and airborne contaminants.

G4-EN15

GHG emissions

> Direct emissions

The STM's direct GHG emissions declined slightly (-0.4%) between 2013 and 2014. However, emissions from stationary and mobile sources showed certain variations. The 3.6% decrease in emissions from mobile sources is attributable to a decrease in bus kilometres travelled and to ongoing reduction initiatives. On the other hand, consumption of natural gas, which accounts for 88% of emissions from stationary sources, was up 19%. This increase is explained by heating needs related to the severity of the 2014 winter and by the opening of the new Stinson bus garage.



> Actions to reduce emissions

The STM is continuing all of its actions designed to reduce bus emissions: use of biodiesel fuel, use of hybrid-electric propulsion on eight buses, installation of TopoDyn transmission programmers, use of EMP electric fans, integration of urea systems (reducing nitrogen oxides).

To pursue this initiative further, auto shut-off systems were tested on two standard buses in 2014. Preliminary results show potential fuel savings of 2%. In addition, technical specifications for the acquisition of 27 new hybrid buses were completed.

Finally, the STM maintained its initiatives to reduce fuel consumption when replacing service vehicles. Between 2007 and 2014, the emission intensity of our small service vehicles declined by 26%.

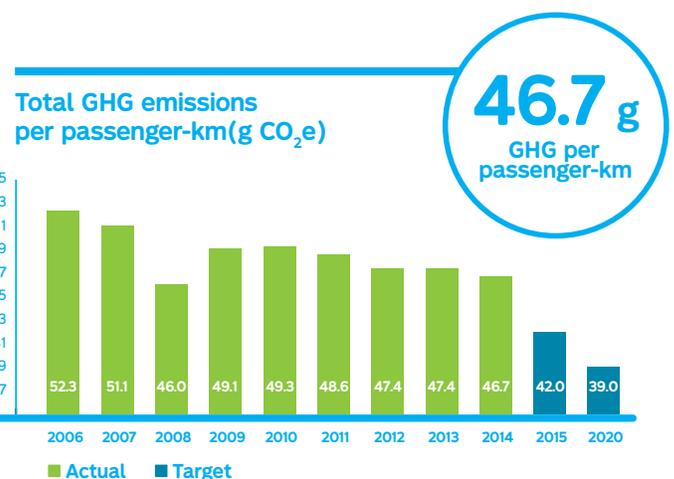
> GHG emission intensity

Changes in the STM's GHG emissions are generally associated with increased service in order to boost ridership. Accordingly, the STM has established indicators for monitoring changes in its emissions by relating them to operating units, namely:

- > kilometres travelled by bus and metro
- > seat-km offered to customers, which represent the number of seats available over the distance travelled by bus and metro
- > passenger-km, which represent total distances travelled by customers on the network over the year. The STM's GHG target consists of GHG emissions per passenger-km.

G4-DMA ENERGY, G4-DMA EMISSIONS

G4-DMA PRODUCTS AND SERVICES, G4-EN18



G4-DMA PRODUCTS AND SERVICES, G4-EN18, G4-EN27
G4-DMA ENERGY, G4-DMA EMISSIONS, G4-EN27

Indicator	2010	2011	2012	2013	2014	Change 2013-2014	Change 2010-2014
Total GHG emissions per km travelled (g CO ₂ e)	1,012	1,012	968	982	1,005	2.4%	-0.7%
Total GHG emissions per seat-km (g CO ₂ e)	13.2	13.2	12.7	13.0	13.1	0.7%	-0.8%

GHG emissions per passenger-km declined by 0.6%. This improvement stems from the decrease in total GHG emissions and the increase in annual ridership.

The indicators per km travelled and per seat-km rose by 2.4% and 0.7%, respectively, relative to 2013, owing to the fact that total GHG emissions were held at the 2013 level while service provided was reduced over the same period. As previously noted, the increase in natural gas consumption associated with the severity of the winter and the opening of the new Stinson bus garage are partly responsible for the deterioration in these indicators.

Transportation electrification

The STM is participating in the government initiative and has set an ambitious objective for transportation electrification, namely to acquire only electric vehicles from 2025 on. In 2014, 69.6% of trips on the STM network were made using electricity. Our goal is to increase this rate to 86% by 2020.

We are continuing electric-vehicle demonstration projects aimed at testing new technologies. These tests will allow an evaluation of the impacts on planning, operations, maintenance and, above all, improvement of customer service. This will enable us to make a well-planned, appropriate transition to electric transportation.

In 2014, a standard electric-powered bus on loan from the Chinese company BYD (Build Your Dreams) underwent in-service testing.

In addition, a feasibility study for the construction of an electric-bus network was carried out.

Finally, Montréal's City Mobility project, a partnership between Québec's Ministère des Transports, the STM and Nova Bus, aims to conduct out-of-service testing in 2016 on three all-electric, conductive fast-charge buses. From 2016 to 2019, this process should continue with in-service testing.



Outlook for 2015

- Acquisition of 27 hybrid buses for delivery in 2016
- Continued testing of bus auto shut-off system
- Start-up of City Mobility project
- Launch of tender call for the acquisition of electric vehicles for tunnel work (locotracors)

Priority 7 Practise Sustainable Procurement

The STM is committed to improving its social, economic and environmental performance through its procurement processes.

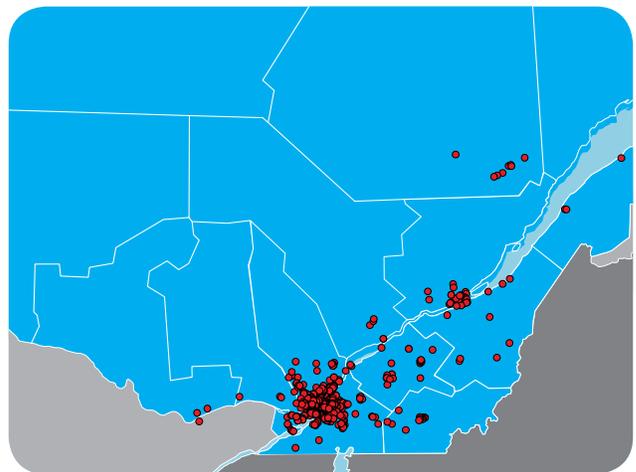
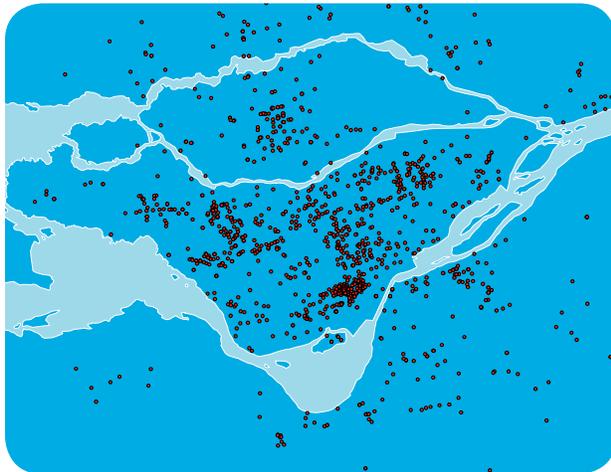
G4-12, G4-EC1, G4-EC9

Description of the supply chain

The supply chain team is in charge of the process of procuring all the goods and services associated with operating and maintaining the bus and metro network. This procurement includes expenditure on energy, acquisition and maintenance of rolling stock and infrastructure, engineering and professional services, etc. In 2014, expenditure on the acquisition of goods and services totalled \$586 million.³

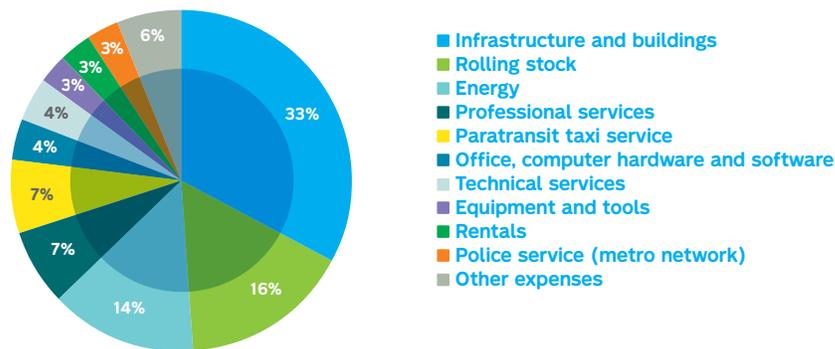
The STM deals with numerous suppliers throughout the world, but carries out most of its expenditure in Québec, thereby supporting more than 1,600 suppliers based in 14 of the province's regions.

Distribution of the STM's 1,600 suppliers in the greater Montréal area (left) and in the rest of Québec (right)



G4-EN1

Expenditure on goods and services (operations and investments)³



³ STM expenditure, excluding the financial expenses, taxes and expenses of Transgesco, a commercial subsidiary of the STM.

G4-DMA PROCUREMENT PRACTICES, G4-DMA SUPPLIER ENVIRONMENTAL ASSESSMENT, G4-DMA SUPPLIER ASSESSMENT FOR LABOR PRACTICES, G4-DMA FREEDOM OF ASSOCIATION AND COLLECTIVE BARGAINING, G4-DMA SUPPLIER ASSESSMENT FOR IMPACTS ON SOCIETY

G4-15

Adoption of a sector guideline

Armed with the expertise it has developed in recent years, the STM made its commitment to sustainable procurement official by adopting a sector guideline on sustainable procurement in 2014. The guideline covers the integration and implementation of sustainable procurement practices for all its processes of acquisition and disposal of goods and services.

To ensure the success of this practice, two guides were also produced as tools to support the supply chain team and employees involved in setting procurement criteria: a guide to sustainable procurement principles and measures, and a certification guide. The guideline and tools were presented to management committees in all of the company's sectors.

As well, the establishment of an advisory committee on sustainable procurement made up of representatives of different sectors helped ensure the relevance of the tools. The members of this committee provide support for the practice and so act as ambassadors to their teams and customers in order to promote and encourage a change in habits.

Social enterprise

For the STM, practising sustainable procurement also means calling on social enterprises. It made this commitment official by signing the declaration of commitment to public purchasing from social enterprises drawn up by Québec's Ministère des Affaires municipales, des Régions et de l'Occupation du territoire (MAMROT).

Also in 2014, the STM contributed to the success of the Montréal pilot project *L'économie sociale, j'achète!* set up by the Conférence régionale des élus (CRÉ) de Montréal, by:

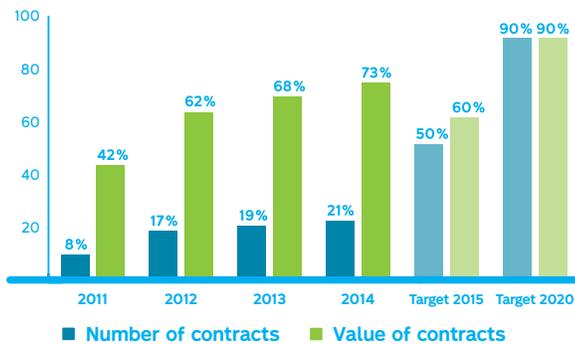
- ▶ encouraging contract administrators to take part in the pilot project's activities and work with social enterprises
- ▶ disseminating information on these enterprises via internal communication tools

Changes in the sustainable procurement indicator

The *Sustainable Development Plan 2020* aims to integrate sustainability criteria into 90% of contracts by 2020. Following a review of the indicator's calculation method, it appeared that the figures published in previous years were incomplete. The contract for the acquisition of the new Azur cars, which includes numerous sustainability criteria, had not been factored in. Accordingly, the indicators for contracts⁴ in progress during the year that included sustainability criteria were revised upward for the years 2011 to 2014.

According to these revised data, the share of the number of contracts in progress and the value of contracts in progress increased by 2% and 5%, respectively, between 2013 and 2014.

Contracts⁴ in progress during the year that include sustainability criteria



⁴ Goods not held in inventory valued at \$50,000 or more, goods in inventory valued at \$100,000 or more, and services valued at \$25,000 or more.

Outlook for 2015

Sustainable procurement training for contract administrators in applying the sector guideline

- Partnership with social enterprises in the following areas:
- disposal of old uniforms
 - disposal of computer equipment

Priority 8 Act as a Responsible Employer

For the STM, employee mobilization and safety are of prime importance. We intend to keep up our efforts to continually improve our human resources management practices. Recognizing that the diversity of our personnel is an undeniable asset, we have taken initiatives since 1987 to enhance the diversity and harmonious integration of all our employees.

Diversity and equal employment opportunity

In 2014, women made up 24.6% of the STM's workforce, for a slight increase of 0.2%, while visible and ethnic minorities accounted for 23.6%, up 0.6% over 2013. We embarked on the process of establishing a 2015–2017 program of activities to fulfil the commitments of our Declaration for Diversity and Inclusion. In the same vein, working with a multidisciplinary human resources committee, we initiated an update of measures in our Equal Employment Opportunity Program.

Workforce diversity (%)	2011	2012	2013	2014
Percentage of women	24.1	24.3	24.4	24.6
Percentage of visible and ethnic minorities	20.5	22.1	23.0	23.6
Percentage of employees with a disability	0.5	0.5	0.5	0.4
Percentage of Aboriginal employees	0.5	0.5	0.5	0.5



In addition to these structuring initiatives in terms of planning, the STM continued to take concrete action. From 2012 to 2014, more than 4,000 employees and managers participated in diversity awareness workshops. In 2014, measures related to people living with limitations were implemented with the circulation of an awareness info-capsule and interview simulations for staffing personnel.

To draw inspiration from best practices, the STM maintains partnerships with external stakeholders in this area (Alliés Montréal, Mentorat Québec, Interconnection program of the Board of Trade of Metropolitan Montreal, Moelle épinière motricité Québec, CAMO pour personnes handicapées). To find out more, go to: www.stm.info/en/about/financial_and_corporate_information/about-stm/diversity.

Mobilization

The STM counts on its employees' mobilization to carry out its mission. To increase the mobilization level, tools and support were offered to all managers with a view to improving communication with employees, raising their level of involvement and increasing recognition. Many of these tools are readily accessible through the Zone Gestionnaire, an intranet portal specially designed to support managers in performing their duties. In 2014, the *Leader à bord* (Leader on Board) leadership development program intended to build management skills was continued, in collaboration with the Université de Sherbrooke's Centre universitaire de formation continue (Longueuil campus). As well, managers and teams concerned with the many projects involving major change, such as Azur and iBus, received coaching in preparing for these start-ups and rollouts while taking the human impacts into account.

Since 2006, the STM has measured employee mobilization through a survey conducted every two years. The latest measurement of the mobilization index was carried out in 2013. This index improved from -4 in 2006 to +27 in 2013.

G4-10, G4-DMA EMPLOYMENT, G4-DMA DIVERSITY AND EQUAL OPPORTUNITY, G4-DMA EQUAL REMUNERATION FOR WOMEN AND MEN, G4-LAI

G4-DMA LABOR/MANAGEMENT RELATIONS

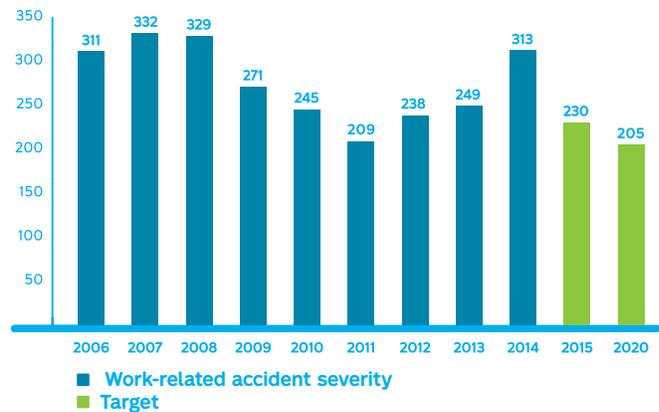
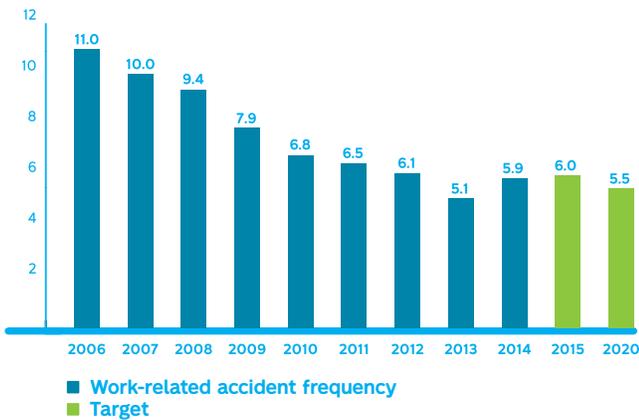
Occupational health and safety

The STM is committed to providing all its employees with safe working environments. Once again this year, we organized activities for raising awareness of issues related to occupational health and safety during the *Semaine SST* (Occupational Health and Safety Week), which was renamed *La Grande tournée SST* in 2014. Booths were set up at different work sites, presenting employee initiatives and good practices designed to improve safety and achieve the objective of zero work-related accidents. They included: *Caravane SST*, a bus turned into a booth for maintenance employees, three *Grands rendez-vous* bringing together a large number of exhibitors and, finally, *Escapes*, which offered activities tailored to targeted groups of employees.

Reflecting the numerous local initiatives to improve employee health and ensure employee safety, the frequency of work-related accidents has declined since 2006, reaching 5.9 in 2014. However, the severity of work-related accidents increased in 2014 to 313.4.

At the CSST's Grands Prix santé et sécurité au travail, a project for insulating high-voltage facilities won the Innovation award and was selected as a regional finalist. Interactive online training on health and safety preventive measures at the metro car minor overhaul shop was also selected as a regional finalist.

Work-related accident frequency and severity



Outlook for 2015

Adoption of 2015–2017 program of activities to fulfil the commitments of the Declaration for Diversity and Inclusion

Update of measures in the Equal Employment Opportunity Program

Finalization of *Leader à bord* leadership development program, completed by more than 700 STM managers by June 2015.

Maintaining of efforts to support managers and teams impacted by the many changes under way at the STM.

Priority 9

Train and Equip Our Employees and Raise Their Awareness

The STM's sustainable development approach calls for employees' buy-in and mobilization, and the development of their sustainability skills. By equipping them and increasing their environmental, social and economic awareness, the STM enables them to better understand the issues involved and make sustainability best practices an integral part of their work.

Training and awareness

As part of its awareness program, the STM set up a specific sustainable development section on its intranet site in February 2014. This page enables all employees to consult various resources, such as a series of video capsules illustrating, through concrete examples, how sustainable development is taken into account by the STM.

In addition, a number of articles on integrating sustainable development into different activities or implementing sustainability projects such as the sustainable procurement approach were published in the company's internal media. The many awards and honours received by the STM in 2014, which are sources of pride and mobilization for all our employees, also provided an opportunity to discuss the company's main achievements in this area. As well, every year the STM recognizes employees' initiatives, including those related to sustainable development.

At the end of the year, sustainable development training for professionals was added to the 2015 training catalogue.

Tools for integrating sustainable development into practices

To complement its training and awareness activities, the STM designs tools to help employees integrate sustainable development into their practices. In 2014, the main advances involved:

- updating the tool for taking sustainability into account in the project prioritization mechanism (project portfolio management)
- producing guides intended to support employees in applying the sector guideline on sustainable procurement (see Priority 7: Practise Sustainable Procurement)
- updating the sustainable development section in the recommendations submitted to the Board of Directors



Outlook for 2015

Sustainable development training
offered to professionals

New tool for taking sustainability into
account in projects and project prioritization



Employee generosity campaign

In 2014, the STM held the 52nd edition of its workplace generosity campaign. This annual fundraising campaign is carried out in cooperation with STM employees and retirees. More than \$875,000 was raised and distributed by STM employees this year. This result, a 21% decrease from 2013, is largely due to the cancellation of the golf tournament and the fact that a special collection was held in 2013 for the victims of the Lac-Mégantic disaster. However, the organizing of new fundraising activities and better performance by some components of the campaign helped minimize this reduction.

The donations collected by employees and retirees are distributed to the following organizations: Réchaud-bus, Centraide/United Way, the Red Cross, PartenaireSanté Québec, the Christmas baskets operation and the Hôpital Rivière-des-Prairies' Fondation Petits trésors.

**\$875,000
raised**

Priority 10 Engage Our Stakeholders

Stakeholders are crucial to the STM's success. By engaging in dialogue with them, the STM is better able to understand their needs and concerns, and take these into account. From planning to implementation, this dialogue gives the company's initiatives real added value.

It is also through dialogue and cooperation with its stakeholders that the STM contributes to the advancement of sustainable development and sustainable mobility.

Dialogue with stakeholders

In 2014, the STM carried out extensive consultation with its internal and external stakeholders on priority topics in sustainable development. More than 2,400 customers, 32 organizations and 260 employees took part in this exercise. The results enabled us to define the materiality of the sustainable development topics in this report (see the Materiality Analysis section in the report). This dialogue on priority topics will eventually be useful in updating the *Strategic Plan 2020* and *Sustainable Development Plan 2020*.

Stakeholder involvement is essential to a sustainable development approach. This dialogue also constitutes an asset in furthering the social acceptability of the STM's projects. To better guide exchanges with its external stakeholders, the STM has begun the process of establishing a reference framework. This framework is aimed at communicating good practices and clarifying roles and responsibilities. Right from the project definition phase, it promotes the evaluation of potential issues related to social acceptability and the development of an appropriate strategy. Additionally, it improves the coherence of the STM's representations and interventions with local communities and with government and municipal authorities. This effort will enable the STM to establish a sector guideline on projects' social acceptability.

G4-24, G4-26, G4 DMA LOCAL COMMUNITIES

Means of Communication												
STAKEHOLDER	STM website	Media (press releases, media relations, public forums)	STM intranet	Satisfaction surveys	Public Board meetings	Formal consultations (public meetings, etc.)	Social networks (Facebook, Twitter, LinkedIn)	Meetings and discussions	Internal and external working groups and committees	Briefs	Work with associations	Partnerships
Employees			X	X	X		X	X	X			
Customers	X	X		X	X	X	X	X				X
Higher levels of government		X			X			X	X	X		
Municipalities		X			X			X	X	X		X
Civil society	X	X			X	X	X	X		X	X	X
Other institutional partners	X	X			X	X		X	X		X	X

Achieving Gold Level in the APTA Sustainability Commitment

The STM's sustainable development approach was recognized on June 16, 2014, with the awarding of Gold Level in the American Public Transportation Association (APTA) Sustainability Commitment. This prestigious recognition program is the world's only program for assessing sustainability practices by transit authorities.



Sustainability governance

Sustainability is practised at every level of the organization and is guided by the Corporate Policy on Sustainable Development and the Sustainable Development Plan.

The sustainable development team performs a functional role and provides overall coordination and the necessary expertise to ensure the progress of the main sustainability projects.

Formed in 2008, the Sustainable Development Committee is an internal advisory body in which each of the STM's main branches is represented. It supports the efforts of the sustainable development team. Among their other responsibilities, the committee members ensure project follow-up in their respective administrative units.

The STM's Executive Committee is required to formulate an opinion on the company's sustainable development performance and approve the report. The committee is likewise responsible for giving first approval to the Sustainable Development Plan.

In 2014, the Executive Committee carried out an initial sustainability management review. This exercise revealed the progress made toward the different sustainable development targets and the committee's orientations on the different sustainable development issues.

The Board of Directors also exercises high-level governance with respect to issues related to sustainability and social responsibility. The main characteristics of this governance are:

- ▶ The Board approves the STM's Sustainable Development Plan.
- ▶ A Board committee, the Governance, Ethics and Sustainable Development Committee (GESDC), guides and monitors measures arising out of the Corporate Policy on Sustainable Development and the Sustainable Development Plan.
- ▶ The GESDC receives the annual Sustainable Development Report for information and review purposes, and comments on it before it is sent to the Board.
- ▶ The Board's Audit Committee receives and analyses due diligence reviews carried out by the Auditor General on environmental and sustainable development matters.

In 2014, the STM appointed Jean-Pierre Revéret as external sustainability expert on the Governance, Ethics and Sustainable Development Committee.

Since 2012, all recommendations submitted to the Board of Directors must contain details demonstrating that they fulfil the commitments of the Sustainable Development Plan.

G4-15, G4-16

Contribution to the advancement of sustainable development and sustainable mobility

The STM has contributed for a number of years to the advancement of sustainable development by working and exchanging best-practices knowledge with different partners.

Accordingly, we are involved in various sustainable development committees (city of Montréal, International Association of Public Transport, American Public Transportation Association, Espace québécois de concertation sur les pratiques d'approvisionnement responsable, Association de transport urbain du Québec).

► Participation in the UITP Declaration on Climate Leadership

The United Nations (UN) held a [Climate Summit](#) in September 2014 to speed up implementation of ambitious greenhouse gas emission reduction measures. In response to the UN request, the International Association of Public Transport (UITP) asked its members to produce a declaration of climate leadership (summary of commitments to the fight against climate change). The STM joined with the world's transit authorities in reiterating its firm commitment within the [UITP Declaration on Climate Leadership](#) presented at the summit.

► Espace québécois de concertation sur les pratiques d'approvisionnement responsable

The STM's sustainable procurement approach has inspired other organizations that also want to integrate sustainable procurement practices. We gave several talks on this subject in 2014, to organizations including the Association du transport urbain du Québec (ATUQ), American Public Transportation Association (APTA) and Espace québécois de concertation sur les pratiques d'approvisionnement responsable (ECPAR). The company was cited on multiple occasions as a model to be followed, due to its rigorous approach. As well, the two guides developed internally will be published in 2015 and may be used by other organizations.

Struggle against homelessness

In December 2012, the Société de développement social de Ville-Marie, the STM and a number of other partners joined together to offer an innovative alternative for homeless people in the area of Place-des-Arts station, including the opening of a service point located at St. Michael's Mission. Under this project, a social worker, in collaboration with STM staff, goes out to meet homeless people in the metro in order to offer them support, bring them to St. Michael's Mission for front-line services or, even better, direct them to the appropriate resources providing social, medical and psychological consultations.

Since December 2013, Berri-UQAM, Atwater, McGill and Bonaventure stations have been added to Place-des-Arts, bringing the number of stations covered by the project to five. Three additional social workers have been hired, so that there are now four of them. From December 2013 to November 2014, these four workers carried out 1,430 interventions at the five stations covered. For winter 2014, a shuttle service was offered every evening at Bonaventure station at the metro's closing time to take homeless people to shelters. From December 2013 to April 2014, 465 people were driven to shelters so that they could spend the night there.



Outlook for 2015

Adoption of a sector guideline on projects' social acceptability

Internal dissemination of reference framework and sector guideline on projects' social acceptability



Numerous sustainable development awards in 2014

In 2014, the STM garnered a number of awards for its sustainable development initiatives.

Novae awards for corporate citizenship:

- Stinson bus garage: winner in the Sustainable Building category
- Service point for the homeless, a joint project of the STM and the Société de développement social de Ville-Marie: winner in the Community Relations/Living Environment category
- *Sustainable Development Plan 2020*: finalist in the Business Strategy category

Phénix awards for the environment:

- *Sustainable Development Plan 2020*: finalist in the Business - Implementing a Strategic Approach to Sustainability category

American Public Transportation Association (APTA)

- Service point for the homeless: Gold Award for Security

Canadian Urban Transit Association (CUTA)

- Service point for the homeless: Corporate Leadership award - Safety and Security category

Canadian Institute of Steel Construction

- Stinson bus garage, in collaboration with Lemay Montréal: awards in the Green Buildings and the Industrial Projects and Young Architects categories

Contech bâtiment

- Stinson bus garage, in collaboration with Lemay Montréal: honourable mention for Innovative Practices in the Institutional, Commercial or Industrial Building category

Glossary



Diversity

The range of visible and invisible differences related to gender, age, social and cultural background, race and ethnic origin, or physical ability (Source: European Commission).

Functional limitations

According to the Office des personnes handicapées du Québec (OPHQ), these are restrictions or lack of ability in the execution of certain movements, certain gestures or certain activities. Functional limitations may be compensated for by specific equipment or devices or palliative services that allow individuals to perform activities in a manner that is different from others but that allows them to achieve the same result (Source: OPHQ). Paratransit customers may have the following functional limitations: intellectual, motor, psychological or visual disability (Source: STM Universal Accessibility Development Plan 2012–2015).

Governance

System by which an organization makes decisions and implements them to achieve its goals. Organizational governance is of central importance as it allows the organization to take responsibility for the impacts of its decisions and activities, and to integrate social responsibility within the organization and in its relationships (Source: ISO 26000, 2010).

Integrated mobility

The concept of integrated mobility promotes a smart combination of individual means of transportation (walking, cycling, driving) with collective modes (bus, metro, taxi, carpooling, car sharing, shared taxibus) for meeting mobility needs (STM website).

Paratransit

Transportation of persons who are unable to use conventional means of public transit, in particular disabled persons with reduced mobility (Source: Office québécois de la langue française, 2000).

Social responsibility

Responsibility of an organization for the impacts of its decisions and activities on society and the environment, through transparent and ethical behaviour that contributes to sustainable development, including the health and welfare of society; takes into account the expectations of stakeholders; is in compliance with applicable law and consistent with international norms of behaviour; and is integrated throughout the organization and practised in its relationships (Source: BNQ, 2010).

Stakeholder

A person or group with a more or less direct interest in the life of an organization or that is likely to be affected by decisions made by an organization.

Sustainability reporting

The practice of measuring, disclosing and being accountable to internal and external stakeholders for organizational performance toward the goal of sustainable development (Source: GRI, 2006).



Sustainable development

Development that meets the needs of the present without compromising the ability of future generations to meet their own needs. Sustainable development is based on a long-term vision which takes into account the inextricable nature of the environmental, social and economic dimensions of development activities (Article 2 of the *Sustainable Development Act* adopted by the Québec government – Source: R.S.Q., Chapter D-8.1.1).

Sustainable mobility

Sustainable mobility is based on well-designed transportation systems and efficient, well-integrated technologies. While taking into account the inextricable nature of the social, economic and environmental dimensions, it:

- ▶ allows the basic access and development needs of individuals, organizations and communities to be met safely and in a manner consistent with human and ecosystem health, and with equity within and between generations;
- ▶ offers a choice of affordable transport modes that operate efficiently, support a vibrant economy and contribute to the development of communities throughout the province;
- ▶ limits polluting emissions and waste within the planet's capacity to absorb them, minimizes consumption of non-renewable resources, limits consumption of renewable resources to the sustainable yield level, reuses and recycles its components, and minimizes the use of land and the production of noise (Source: Ministère des transports du Québec).

Sustainable procurement

Sustainable procurement is a method of procurement that integrates environmental and social criteria into the process for acquiring goods and services as a way to reduce the environmental impact, increase the social benefits and strengthen organizations' economic sustainability, throughout the life cycle of the products (Sustainability Purchasing Network, 2006).

Transparency

Property of an organization that provides information on its operations, practices, intentions, objectives and results. Transparency strengthens the relationship of trust with citizens by enabling them to understand the logic that determines administrative actions (Office québécois de la langue française, 2003).

Universal accessibility

The concept of universal accessibility is primarily related to building or site design, whereby all visitors, or "users," have equal access throughout public buildings or other public areas. In concrete terms, universal accessibility allows for unfettered physical access to public buildings or sites; allows all visitors to find their way around independently; allows for freedom of movement; ensures that services are accessible by all visitors or users; and ensures that all visitors or users experience the same treatment and benefit from opportunities offered in equal measure... at the same time, in the same way (Source: Definition developed by the universal accessibility follow-up committee of the Montréal Summit, made up of AlterGo, CRADI, ROPMM, Société Logique and Ville de Montréal, April 2003).



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