



SETTING THE WHEELS
OF TOMORROW'S
MOBILITY
IN MOTION TODAY

SUSTAINABLE DEVELOPMENT REPORT 2013

MONTRÉAL SET TO HOST THE 62ND UITP WORLD CONGRESS IN 2017 ON MOBILITY AND CITY TRANSPORT

Through the combined efforts of the STM and the Agence métropolitaine de transport (AMT), Montréal has been elected host city for the 62nd International Association of Public Transport (UITP) World Congress & Exhibition, focusing on Mobility and City Transport. The event will be held in 2017, the year of Montréal's 375th anniversary. A finalist alongside Brisbane, Australia, and Seoul, South Korea, Montréal was chosen to host this congress which takes place every two years in cities where sustainable mobility plays an important role. The news was announced on April 10, 2013, in Hamburg, Germany, by the UITP's Executive Board.

The congress will be held from May 13 to 17, 2017, and will attract a myriad of major players in the public transit industry, including more than 9,500 delegates and visitors from over 80 countries, as well as 350 exhibitors. This international event is expected to generate economic spinoffs estimated at over \$13 million.





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THE SUSTAINABLE DEVELOPMENT REPORT AT A GLANCE

PRIORITY IN THE SUSTAINABLE DEVELOPMENT PLAN 2020	ACHIEVEMENTS	CHALLENGES AND ISSUES
Priority 1 SERVICE	<ul style="list-style-type: none"> ➤ 1% increase in ridership, to 416.5 million trips ➤ 8% increase in fleet of articulated buses (220 articulated buses in total) 	<ul style="list-style-type: none"> ➤ Maintaining service and public transit funding ➤ Slight decline in the satisfaction rate, to 85%
Priority 2 ACCESSIBILITY	<ul style="list-style-type: none"> ➤ 95% of regular bus lines wheelchair-accessible ➤ 5.8% increase in paratransit trips ➤ Fares among the lowest in Canada 	<ul style="list-style-type: none"> ➤ Levelling out of government contribution to paratransit, leading to a shortfall
Priority 3 URBAN PLANNING	<ul style="list-style-type: none"> ➤ Network of bus priority measures expanded by 10% ➤ Took part in studies for the métro extension, light-rail transit system on the new Champlain Bridge, and Train de l'Est and West Island Mobility Plan projects ➤ Helped draw up local transportation plans for Rosemont–La Petite-Patrie, Montréal-Nord and Mercier–Hochelaga-Maisonneuve 	
Priority 4 PERFORMANCE AND ECONOMIC CONTRIBUTION	<ul style="list-style-type: none"> ➤ Maintained A+ and Aa2 credit ratings from Standard & Poor's and Moody's ➤ Per-kilometre operating costs are 13% less than the world average for the bus network and 16% for the métro network ➤ \$709 million in acquisitions of goods and services, 48% of which were produced in Québec 	<ul style="list-style-type: none"> ➤ Investment deficit estimated at \$3 billion
Priority 5 ECOLOGICAL FOOTPRINT	<ul style="list-style-type: none"> ➤ ISO 14001-based EMS 50% implemented ➤ Recovery of plastic/glass/metal materials set up in all surface facilities 	<ul style="list-style-type: none"> ➤ 7% decline in residual-material recovery rate
Priority 6 ATMOSPHERIC EMISSIONS	<ul style="list-style-type: none"> ➤ City Mobility demonstration project launched ➤ Electric-powered bus tested ➤ 25 energy efficient small service vehicles acquired 	<ul style="list-style-type: none"> ➤ Stabilization of GHG emissions per passenger-km ➤ Abandoning of project to acquire electric midibuses
Priority 7 SUSTAINABLE PROCUREMENT	<ul style="list-style-type: none"> ➤ Sustainable development criteria included in 54% (in terms of value) of current contracts awarded ➤ STM commitment to the project "L'économie sociale, j'achète" in support of social enterprise 	
Priority 8 RESPONSIBLE EMPLOYER	<ul style="list-style-type: none"> ➤ Employee mobilization improved to + 27 (- 4 in 2006) ➤ Frequency of work-related accidents involving lost time down 14% 	<ul style="list-style-type: none"> ➤ Severity of work-related accidents up slightly (+4.5%)
Priority 9 TRAINING AND AWARENESS	<ul style="list-style-type: none"> ➤ Sustainable development training workshop held for 165 managers ➤ Record year for the generosity campaign (\$1,109,164) 	
Priority 10 STAKEHOLDERS	<ul style="list-style-type: none"> ➤ Wide-ranging consultation of stakeholders in drawing up the <i>Sustainable Development Plan 2020</i> ➤ Signing of the American Public Transportation Association (APTA) Sustainability Commitment 	

N.B.: The changes shown in the preceding table are relative to 2012 and 2013.

The [Complete Table of Indicators](#) provides this information for the years 2006 to 2013.

MESSAGE FROM SENIOR MANAGEMENT

We are proud to publish our sixth Sustainable Development Report, which continues from the 2008 to 2012 editions in reporting on the STM's sustainable development performance. It differs from them, however, in terms of its structure, which revolves around the 10 priorities of the *Sustainable Development Plan 2020*.

The Sustainable Development Plan 2020: A new phase

Since 2005, the STM has made great strides in the area of sustainable development. In 2013, the company reaffirmed its commitment by adopting its *Sustainable Development Plan 2020*. Featuring targets for both 2015 and 2020, the Plan aims to develop an environment favourable to public transit, provide service that contributes to a better quality of life and improve the STM's environmental, economic and social performance.

Fighting climate change

The STM makes a vital contribution to the fight against climate change by offering an alternative to single-occupant car use and reducing its own greenhouse gas (GHG) emissions. That is why we pay particular attention to improving service in order to increase ridership. In 2013, both regular and paratransit service reached new records, with 416.5 and 3.2 million trips, respectively. The STM kept up its efforts to reduce its emissions, including the use of biodiesel and hybrid diesel-electric vehicles. In addition, the network of bus priority measures grew 10% in 2013. These measures help improve service efficiency and reduce GHG emissions, among other benefits.

Helping set the wheels of sustainable mobility in motion

In 2013, the STM also contributed to a large number of projects and studies that will ultimately help set the wheels of tomorrow's mobility in motion: demonstration projects applying new technologies, and métropolitan transportation studies and urban development projects.



Philippe Schnobb
Chairman of the Board



Carl Desrosiers
Chief Executive Officer



MESSAGE FROM SENIOR MANAGEMENT (CONT'D)

Sound management, infrastructure funding and economic contribution

For many years now, the STM has ranked among the best-managed transit authorities in North America. However, in view of the aging of our equipment and infrastructure, we must invest massively in asset sustainment to ensure its long-term operability. Despite the efforts laid out in our three-year investment plan, the *Plan triennal d'investissement 2014–2016*, the lag in asset replacement in recent years will mean that we will not be able to reduce our investment deficit, estimated at \$3 billion at December 31, 2013. Given this context, new sources of funding will have to be quickly identified and put into place.

Public transit plays a part in the economic growth of Montréal and of Québec as a whole by generating wealth and making them more competitive. The STM carries out 97% of its expenditure in Québec, thereby supporting 1,800 suppliers based in 14 of the province's regions. The company pays particular attention to sustainable procurement. In 2013, more than half the value of contracts in progress included sustainability criteria. Public transit is clearly an investment and not an expense; it is therefore in our collective interest to identify lasting solutions to ensure funding for it.

Reducing our ecological footprint

The STM also continued to improve its environmental management system. At the end of 2013, about 50% of the elements based on the ISO 14001 standard had been put into practice and a strategy for implementation by 2015 was adopted. This system will allow the STM to go further in its management of all environmental aspects. The Stinson transportation centre built in 2013 and designed to LEED Gold standard is an exemplary project that illustrates the STM's commitment.

Working together

In closing, we would like to note the contribution made by all of the STM's various sectors and partners in developing and implementing the *Sustainable Development Plan 2020*. Dialogue with internal and external stakeholders, as well as their mobilization, is a major factor in the success of our sustainable development approach. On our own behalf and on behalf of the entire Board of Directors, we extend our sincere gratitude to all these key players. We also wish to pay tribute to the outstanding contribution made by Michel Labrecque over five years, the tireless commitment of Dominique Perri and Bernard Blanchet for more than ten years, and the diligent efforts of the other outgoing members of the Board of Directors, Richard Bergeron, Elsie Lefebvre and Monica Ricourt.

PRESENTATION OF THE STM

The 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).

SOME STATISTICS

15th

LARGEST COMPANY
IN QUÉBEC

TOTAL ANNUAL RIDERSHIP

416.5

MILLION TRIPS

9,374

PERMANENT
EMPLOYEES

ANNUAL BUDGET

\$1,297 M



SURFACE NETWORK

The STM fleet comprises 1,730 buses, 8 of which are hybrid and 220, articulated, as well as 102 minibuses: 86 for paratransit and 16 urban models. The average bus age is six years. The regular network consists of 220 bus lines, 23 of which are dedicated to night service. All of these vehicles are wheelchair accessible, except those providing Navette Or service and those operating on line 212 – Sainte-Anne. This means that 209 of the 220 lines are wheelchair accessible. In 2013, bus service totalled 89.7 million km travelled and provided 4.1 billion seat-km.



MÉTRO NETWORK

The métro network is made up of four lines that serve 68 stations and cover 71 km altogether. The fleet of vehicles comprises 759 cars: 336 MR-63s and 423 MR-73s. Métro service in 2013 totalled 78.0 million km travelled and 8.5 billion seat-km.



PARATRANSIT

The STM provides door-to-door paratransit service for people with functional limitations who meet the requirements of Québec's Paratransit Eligibility Policy. In 2013, nearly 25,000 customers used the STM's minibuses and the services of 14 suppliers of regular and wheelchair-accessible taxis to make more than 3.2 million trips on and around the island of Montréal.

PRESENTATION OF THE STM (CONT'D)

VISION

“Fulfil the public’s mobility needs by operating North America’s top public transit system and, in so doing, contribute to the Montréal urban agglomeration’s renown as a prosperous and environmentally friendly hub of economic development.”

MISSION

The STM is a key player in economic development in the Montréal region and contributes to citizens’ quality of life and to sustainable development. It operates and continues to develop an integrated métro and bus system and paratransit service for its customers. It provides fast, reliable, safe and comfortable transportation.

VALUES

The STM’s values are: teamwork, diligence, respect, accountability and transparency.

BOARD OF DIRECTORS

The STM Board of Directors is made up of ten members, eight of whom are chosen by the city of Montréal, through its agglomeration council, from among the members of the city’s regular council and the councils of other municipalities located within the agglomeration. The city also chooses two members from among agglomeration residents: one representative of public transit users and one representative of paratransit users, a service intended for people with functional limitations. The public transit user representative is under 35 in age.

The Board of Directors reflects the values of diversity and inclusion advocated by the STM. Board meetings are public, and stakeholders and the general public may take part in them.



PRESENTATION OF THE STM (CONT'D)

THE STM'S SUSTAINABLE DEVELOPMENT COMMITMENTS

In 2005, the STM signed its pledge to the Sustainable Development Charter of the International Association of Public Transport (UITP). As of 2007, the company made sustainable development an integral part of its mission and the underlying theme of its *Plan d'affaires 2007–2011* (business plan).

In 2008, responsibility for sustainable development was assigned to our Direction de la Planification stratégique (strategic planning branch) and a dedicated team was formed. We also set up a sustainable development committee, representing all our main branches, to coordinate the implementation and follow-up of our Sustainable Development Plan.

In 2010, the STM established a corporate policy on sustainable development, which was adopted by the Board of Directors. The policy provides the guidelines for our approach, while the Sustainable Development Plan is intended to ensure its implementation.

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

The STM adopted the *Sustainable Development Plan 2020* in 2013. That same year, the company became a signatory of the American Public Transportation Association (APTA) Sustainability Commitment.

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 is a member of the sustainable development committee of the Association du transport urbain du Québec (ATUQ), where it provides support and coordination.
- It is contributor to and a 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.

2005

- Signatory of pledge to UITP Sustainable Development Charter

2006 and 2007

- Sustainable development included in our mission and 2007–2011 business plan

2008

- Responsibility assigned to strategic planning branch
- Sustainable development committee established
- *Sustainable Development Action Plan 2007–2011*

2009

- *First Sustainable Development Report 2008*

2010

- Corporate Policy on Sustainable Development
- *Sustainable Development Report 2009*

2011

- *Sustainable Development Report 2010*

2012

- *Strategic Plan 2020*
- *Sustainable Development Report 2011*

2013

- *Sustainable Development Plan 2020*
- *Sustainable Development Report 2012*
- Signing of APTA Sustainability Commitment

PRESENTATION OF THE STM (CONT'D)

SUSTAINABLE DEVELOPMENT GOVERNANCE

Sustainable development is practised at every level of the organization and is guided by the Corporate Policy on Sustainable Development, the Environmental Management Policy 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 sustainable development projects.

Formed in 2008, the sustainable development committee is an internal advisory body in which each of the STM's main branches is represented by one member. The committee supports the efforts of the sustainable development team. Among their other responsibilities, members of the sustainable development committee ensure follow-up in their respective administrative units and keep company management informed.

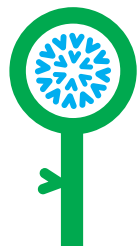
The STM's executive committee is made up of the Chief Executive Officer, all of the company's executive directors and the Senior Director, Public Affairs. Once a year, for the publication of the Sustainable Development Report, the executive committee is required to formulate an opinion on our sustainable development performance and approve the report. The executive committee is likewise responsible for giving first approval to the Sustainable Development Plan.

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

- The Board approves the STM's Sustainable Development Plan.
- A Board committee, the **Asset Maintenance, Major Projects and Environment Committee (AMMPEC)**, reviews all projects and recommendations submitted to the Board in these areas and provides oversight of aspects related to sustainable development before these cases are presented to the Board.
- AMMPEC 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 General Auditor on environmental and sustainable development matters.

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

PRESENTATION OF THE STM (CONT'D)



SUSTAINABLE DEVELOPMENT

CORPORATE POLICY

Société de transport de Montréal (STM) contributes to sustainable development and is committed to mobilizing its employees, customers and suppliers to make sustainable development a reality.

As a partner in the strategic plan for sustainable development for the Montréal community (Plan stratégique de développement durable de la collectivité montréalaise), prepared by Ville de Montréal, STM is committed to:

- sustaining its efforts toward offering public transit services that are reliable, safe, fast and accessible to all people
- creating and supporting a movement for sustainable mobility for the purpose of fighting climate change, improving the competitiveness of the agglomeration of Montréal, as well as the quality of life of residents
- ensuring continuous improvements to its social, economic and environmental performance regarding:
 - the treatment of employees and clients
 - the operation of its transit networks and installations
 - the planning, designing and realization of its projects
 - the procurement process
 - the state of its relations with stakeholders¹ concerned by its activities
- informing and mobilizing its employees, clients and suppliers in the application of sustainable development principles
- working in cooperation with other sustainable development stakeholders at the local, regional, national and international levels
- complying with, even surpassing whenever possible, its commitments and the requirements of any applicable laws

For Société de transport de Montréal, sustainable development is based on a continuous improvement process, including a management review, as well as annual internal and external reporting.

Adopted by the Board of Directors in May 2010

¹ Stakeholders: Group or individual having a more or less direct interest in the business of a corporation or likely being affected by decisions taken by said corporation. Such a definition includes not only its partners, but also those who, without being partners, can influence STM activities.

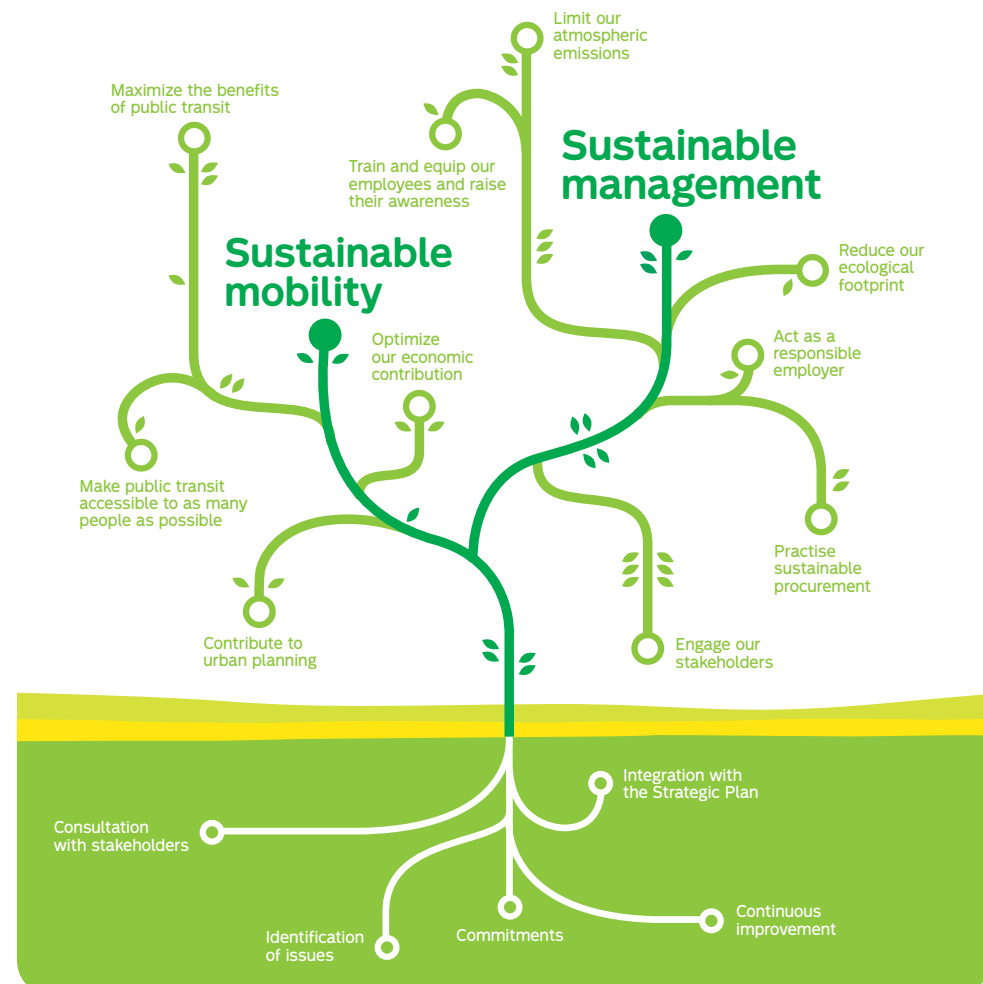
SUSTAINABLE DEVELOPMENT PLAN 2020: A NEW PHASE

In 2013, the STM reaffirmed its commitment to sustainable development by publishing its *Sustainable Development Plan 2020*. 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.

A wide-ranging consultation of internal and external stakeholders enabled us to identify and share with them the sustainable development issues the STM needed to address, such as: safety, urban planning and development, accessibility and user-friendliness of our service, good neighbourliness, funding, aging population, climate change, water, air and soil contamination, and resource consumption.

The Plan, which is strategic rather than operational in nature, revolves around two focus areas and 10 priorities. **Area 1 – Sustainable Mobility** is designed to create a context favourable to public transit and offer service that helps improve quality of life. **Area 2 – Sustainable Management** covers the integration of environmental, social and economic considerations into all our activities. The Plan identifies specific targets for 2015 and 2020. To ensure implementation of the Plan, its follow-up is included in the follow-up on the *Strategic Plan 2020* conducted three times a year.

The Plan thus represents a major advance in the STM's sustainable development activities.



STINSON TRANSPORTATION CENTRE: A CONCRETE ACHIEVEMENT ILLUSTRATING THE SUSTAINABLE DEVELOPMENT PLAN 2020

The STM chose to make the new Stinson transportation centre an exemplary project in terms of sustainable development by designing it to the Canada Green Building Council's LEED Gold standard. This project is fully in keeping with the various priorities of the *Sustainable Development Plan 2020*.



Priority 1 SERVICE

- Can accommodate more than 300 buses, including 100 articulated buses

Priority 2 ACCESSIBILITY

- Facilities that incorporate the STM's universal-accessibility standards

Priority 3 URBAN PLANNING

- At the heart of an urban revitalization strategy
- Urban integration
- Wooded spaces for employees and citizens (fight against heat islands)

Priority 4 PERFORMANCE AND ECONOMIC CONTRIBUTION

- Recurring annual energy savings of nearly \$1 million generated by heat recovery
- Skylights that help minimize the need for artificial lighting
- Local economic spinoffs (use of regional know-how, labour and materials)

Priority 5 ECOLOGICAL FOOTPRINT

- Energy consumption reduced by at least 44% relative to the MNECB benchmark ¹
- Drinking water consumption cut by more than 40% relative to LEED requirements
- 75% of construction debris diverted from landfill
- Site decontaminated
- 8,000 m² green roof

¹ Model National Energy Code for Buildings

STINSON TRANSPORTATION CENTRE (CONT'D)

Priority 6

ATMOSPHERIC EMISSIONS

- Parking is 40% shaded and laid out so as to reduce the number of trips and GHG emissions
- Energy savings that mean reduced GHG emissions
- Indoor bus circulation that limits vehicle movement time

Priority 7

SUSTAINABLE PROCUREMENT

- Tender calls integrating numerous sustainable development criteria
- Use of durable, low-VOC materials, including wood and steel

Priority 8

RESPONSIBLE EMPLOYER

- Workplace quality (e.g.: outdoor rest areas, natural lighting, green spaces)

Priority 9

TRAINING AND AWARENESS

- Project a source of employee pride and mobilization

Priority 10

STAKEHOLDERS

- Public consultations, in cooperation with Saint-Laurent borough
- Indoor bus circulation to limit nuisances for neighbours



ABOUT THIS REPORT

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

All of the indicators presented in the report and the Complete Table of Indicators have been calculated using a documented method and have undergone a stringent collection and validation process. These steps ensure the traceability of all the data. Whenever the information is available, the different indicators for the years 2006 to 2013 are shown.

The report covers the period from January 1 to December 31, 2013. 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. It should be noted, however, that in December 2013, following municipal elections, the city of Montréal appointed new members to the Board of Directors.

Continuing from the reports from 2008 to 2012, the 2013 report describes the STM's environmental, social and economic performance. However, it differs in its structure, which revolves around the priorities of the *Sustainable Development Plan 2020*.

This report is intended for all of the STM's stakeholders. Complementing the report, a complete list of indicators and a GRI concordance table are available in the sustainable development section of the STM website (http://www.stm.info/en/about/financial_and_corporate_information/sustainable-development).



EVOLUTION OF REPORT CONTENT BASED ON STAKEHOLDER EXPECTATIONS

The STM has published a sustainable development report annually since 2008. All these reports are available on the company's website.

In 2008, we adopted the *Sustainable Development Action Plan 2007–2011* (SDAP), which focused on 12 objectives related to three areas of intervention. These 12 objectives were established by the sustainable development committee, representing all of the company's main branches, and the sustainable development team in order to link the objectives to the priorities and strategies of the 2007–2011 business plan.

In June 2009, the STM published its first SD report, based on the guidelines of the Global Reporting Initiative (GRI) and covering the company's activities from 2006 to 2008. The report content was organized according to the SDAP 2007–2011 framework so as to provide an assessment of the company's performance and initiatives carried out, using a number of indicators. In this inaugural edition, the company thus officially reported on its 12 sustainable development objectives. Following its publication, a consultation of external stakeholders was conducted at the end of 2009. The goal of this exercise was to obtain their comments on the report format, the STM's sustainable development approach, the SDAP and its three areas and 12 objectives, and the choice of indicators. In all, 38 individuals were consulted: from Canada, the United States and Europe, and representing environmental organizations, universities, corporations, the municipal, provincial and federal governments, other transit authorities and sectoral associations. This consultation yielded a number of comments and avenues for improvement, which were analysed with the collaboration of an external firm and many of which were incorporated into subsequent reports.

The SD reports from 2009 to 2011 remained focused on the SDAP, and hence its three areas and 12 objectives, to allow stakeholders to track the progress of the STM's commitments and form an enlightened opinion of the initiatives taken under this action plan.

In the meantime, the sustainable development team began to lay the groundwork for the *Sustainable Development Plan 2020*, which was to tie in with the company's *Strategic Plan 2020*. Accordingly, starting in 2011, a series of consultations with internal and external stakeholders was conducted. Numerous working meetings and presentations were held with the management committees, various teams and the sustainable development committee in order to identify the issues and contextual elements, and draft the new Plan. In January 2013, 22 people 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) were met for one-hour individual interviews in which they expressed their views on the relevance of the issues, actions, indicators and targets contained in the proposed *Sustainable Development Plan 2020*. Each comment expressed was taken into account by the sustainable development committee, which made the appropriate changes. The stakeholders were all sent a report on how the comments were taken into consideration.

In light of this wide-ranging consultation, the STM was able to confirm the relevance of the contextual elements and the different sustainable development issues which the Plan had to address. The *Sustainable Development Plan 2020* revolves around 10 priorities that form the STM's strategic framework for sustainable development between now and 2020. The priorities were established on the basis of the contextual elements and the 11 sustainable development issues that emerged from the consultation with stakeholders. These issues are presented in the following pages.

Starting in 2014, the STM plans to establish and document a specific methodology that will permit a better prioritization of its issues. This approach will further enable it to satisfy the requirements of version G4 of the Global Reporting Initiative, which the company aims to meet for its 2014 reporting exercise, to be published in 2015.

SUSTAINABLE DEVELOPMENT ISSUES FOR THE STM

MONTREAL ISSUES

Operational safety and security

The safety of STM customers and employees, as well as that of all citizens, is a prime concern, even though the risk of accident when travelling by public transit in Montréal is one-twentieth that of travelling by car. The STM aims to continue optimizing the safety of its vehicles and facilities.

Urban planning and development

The effectiveness and efficiency of public transit services are largely dependent on urban form, land-use planning and development, and territorial governance. The STM operates in a North American context, where urban and suburban expansion in recent decades has promoted a level of density and a built environment that have led to a significant dependence on automobiles. The STM wishes to influence land-use planning and contribute to development that encourages the use of public transit. It also aims to ensure that its facilities and services are harmoniously integrated into the urban environment.

Accessibility and user-friendliness of our services

The STM works to ensure that the great majority of citizens can use its services. This effort requires sizable investments, whether to implement universal accessibility measures, establish fares and services that are suited to specific customer segments or guarantee optimal service frequency and network coverage. The company must also provide service that is user-friendly, comfortable and efficient, while maintaining its property assets and aging equipment.

Good neighbourliness

The STM's facilities and vehicles can be found all over the island of Montréal. We consequently endeavour to limit nuisances related to our activities, such as noise or soil contamination. Various measures act to reduce these effects on customers, area residents and the public at large.

Heat islands

Concern over heat islands is growing in Montréal. The facilities that the STM requires to operate its substantial bus fleet occupy large paved surfaces, often located in recognized heat island areas. Greening and the use of white surfaces are among the measures applied to reduce these heat islands.



SUSTAINABLE DEVELOPMENT ISSUES FOR THE STM (CONT'D)

PROVINCIAL AND NATIONAL ISSUES

Dedicated, indexed and recurrent funding for public transit

To meet its service improvement objectives in the coming years, the STM's *Strategic Plan 2020* calls for investments totalling \$11.5 billion for asset sustainment and for optimizing and developing the métro, bus and tramway networks. In order to carry out the Plan, the STM is counting on continued contributions from its financial partners as well as the establishment of new revenue sources dedicated to public transit that are indexed and recurrent.

Shortage of skilled labour

Québec is experiencing an overall labour shortage. In Montréal, recruiting skilled workers is particularly challenging. The STM therefore aims to develop strategies to attract and retain labour, as well as to position itself as a responsible, committed organization.

Aging population

According to Québec's Institut de la statistique, the percentage of people aged 65 and over living on the island of Montréal will rise to 21%, from 15%, between 2006 and 2031. The transportation needs of tomorrow's seniors will go beyond the accessibility, ease of use and speed of public transit. Future generations of senior citizens could have more varied needs in terms of mobility and transportation, where autonomy and choice will be prime criteria.

In order to serve an aging population, we will have to continue to be attentive to the needs of this customer segment. Given trends in demographics and mobility, paratransit demand can be expected to increase at an annual rate of 6.3%, reaching 4.3 million trips in 2020.



SUSTAINABLE DEVELOPMENT ISSUES FOR THE STM (CONT'D)

GLOBAL ISSUES

Climate change

By improving service on its bus and métro networks, the STM can convince a larger number of citizens to opt for public transit over car travel, thereby avoiding the emission of large quantities of GHGs. However, the STM does not want the increased service to lead to a spike in its own GHG emissions. We must therefore optimize our bus fleet and adopt less polluting fuels and modes of propulsion. Bus priority measures (BPM), such as reserved lanes that reduce fuel consumption and associated emissions, must also be maximized.

Water, air and soil contamination

A number of the STM's activities involved in operating a growing bus and métro network have impacts on water, air and soil. This has been a matter of concern for us for many years. Accordingly, we ensure that the sources of these impacts are identified and carefully managed. Atmospheric emissions (greenhouse gases and the main airborne contaminants) are the chief source of the STM's environmental impact.

Resource consumption

As a responsible company, the STM is concerned about the consumption of resources needed for all of its activities. This concern is integrated into our procurement, work methods and project management. We also strive for strict application of the 4R principles (reduce, reuse, recycle, reclaim) in our residual materials management.



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 must also facilitate intermodality with complementary modes of transportation such as walking, biking, carpooling, car sharing and trains. We are fully aware of the STM's contribution to the métropolis and consequently aim to continually improve our service in order to maximize the benefits of public transit.



Evolution of service and ridership

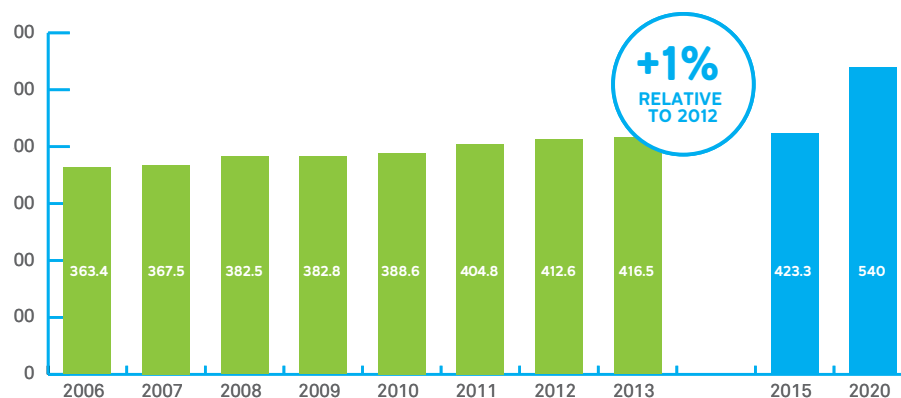
In 2013, STM ridership reached a new record: **416.5 million trips**, representing an increase of 1%.

The introduction of new lines and changes in schedule contributed to this growth in ridership, particularly for lines:

485 - Express Antoine-Faucon
405 - Express Bord-du-Lac
26 - Mercier-Est
41 - Quartier Saint-Michel/Ahuntsic

427 - Express Saint-Joseph
496 - Express Victoria
439 - Express Pie-IX

RIDERSHIP (IN MILLIONS OF TRIPS)

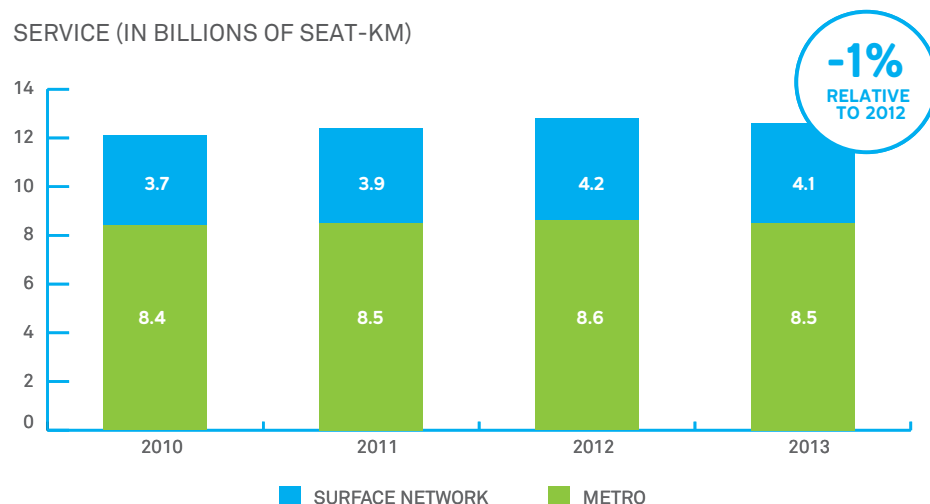


PRIORITY 1

IMPROVE SERVICE TO MAXIMIZE THE BENEFITS OF PUBLIC TRANSIT (CONT'D)

At a time of budgetary uncertainty, the STM was able to optimize **service**, with a resulting **slight drop of 1.1% in seat-km in 2013**. For a number of years, we have pointed out that public transit needs dedicated, indexed and recurrent funding. The Québec government's service improvement program calls for cities to contribute 50%, although they are experiencing great difficulties increasing their funding through existing sources. This situation is a matter of concern, as funding is closely linked to service, which is the main means of achieving ridership targets.

SERVICE (IN BILLIONS OF SEAT-KM)



It should be noted, however, that the number of articulated buses rose by 8% in 2013; they now represent 13% of the fleet, or 220 buses. With a view to the long term, we continued our initiatives to institute new systems. For example, the STM carried out or contributed to numerous studies, including:

- extension of the Blue line
- electric buses on Boulevard Saint-Michel
- bus rapid transit on Pie-IX and Côte-Vertu boulevards

These projects will ultimately mean strong progress in sustainable mobility.



PRIORITY 1

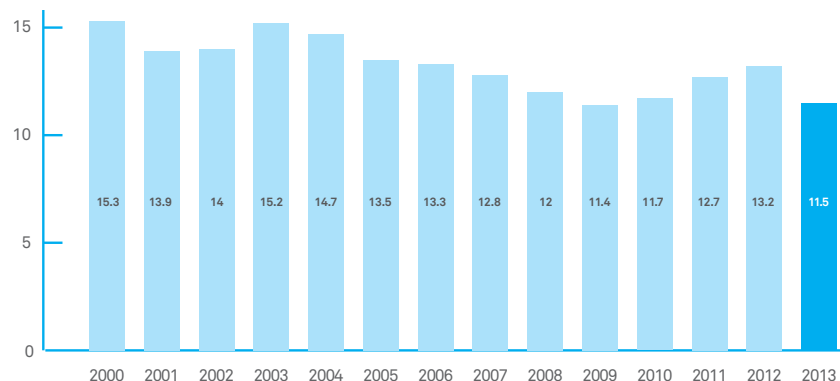
IMPROVE SERVICE TO MAXIMIZE THE BENEFITS OF PUBLIC TRANSIT (CONT'D)

Customer experience

To maintain and increase ridership, the STM intends to improve customer experience and communications. We launched a service quality improvement program in 2010. The service quality follow-up indicators were posted on the new website in July 2013. That year concluded with performances that exceeded the targets set, in particular for personal service, customer information and bus punctuality. To find out more: http://www.stm.info/en/about/financial_and_corporate_information/all-together-quality-service.

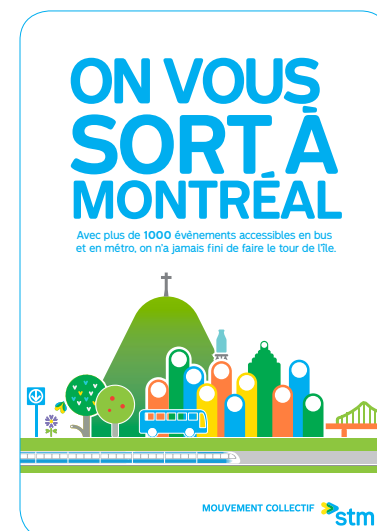
A drop was observed in overall customer satisfaction, which fell from 88% in 2012 to 85% in 2013. This decline is related to major interruptions in métro service in the spring. The return to normal métro reliability, along with improvements in the dissemination of customer information during disruptions, helped boost the satisfaction level by year-end. In fact, the métro network posted its second-best year since 2010 in terms of reliability, with a 13% improvement in the number of stoppages per million km travelled.

NUMBER OF INTERRUPTIONS PER MILLION KM



Additionally, motivation campaigns were conducted to promote the use of public transit. Among these initiatives:

- rollout of the “Out and About in Montréal” campaign, including four treasure hunts based on the theme *Unlock Your City*
- the UITP campaign “Grow with Public Transport”
- distribution of the *STM Merci* mobile app
- organization of cultural activities (Métro Arts and Les Beaux dimanches)
- update of the Society in Motion website



To encourage participants to use public transit, the STM joined with 65 major cultural and sporting events, such as Montréal Museums Day, Mosaïcultures, Fête des enfants, Fête des neiges, Festival Nuits d'Afrique, Nuit Blanche, Complètement cirque, Les Piknik électroniques, Osheaga, Montréal Bike Fest, Montréal Impact and Alouettes games, Rogers Cup, Igloofest, Art souterrain and Défi sportif/AlterGo.

PRIORITY 1

IMPROVE SERVICE TO MAXIMIZE THE BENEFITS OF PUBLIC TRANSIT (CONT'D)

Biking/public transit intermodality

The STM considers biking a complementary mode of transit that is part of the transportation mix, or cocktail, and therefore encourages biking/public transit intermodality. Accordingly, the STM has:

- added 32 bicycle parking spaces next to métro stations, for a 1% increase
- improved bicycle access to the métro, under specific conditions and schedules
- gradually equipped selected bus lines with bike racks

As part of the Turcot project and mitigation measures promoting active transportation, a controlled-access bike shelter with 32 spaces was introduced at Lionel-Groulx station. Customers can access it with their OPUS cards. The goal of this pilot project is to improve the bicycle/public transit combination by enabling customers to protect their bikes from bad weather, theft and vandalism. This initiative brings the number of bicycle parking spaces next to the métro network to 3,064. The STM aims to increase this capacity to 3,200 in 2015, and then to 3,500 in 2020.

Installation of bike racks on buses serving certain lines also continued. In 2013, the buses on another six lines were equipped with racks (34 — Sainte-Catherine; 94 — D'Iberville; 146 — Christophe-Colomb/Meilleur; 185 — Sherbrooke; 715 — Vieux-Montréal/Vieux-Port and 769 — La Ronde), adding to the two lines in the pilot project (140 — Fleury and 180 — De Salaberry).

Outlook for 2014

- Arrival of new AZUR métro cars for testing prior to start-up of service, scheduled for 2015
- Launch of iBus, a bus scheduling and passenger information system (known as SAEIV)
- Identification of new sources of funding to improve service
- Introduction of a maintenance management system for the upkeep of rolling stock



PRIORITY 2

MAKE PUBLIC TRANSIT ACCESSIBLE TO AS MANY PEOPLE AS POSSIBLE

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



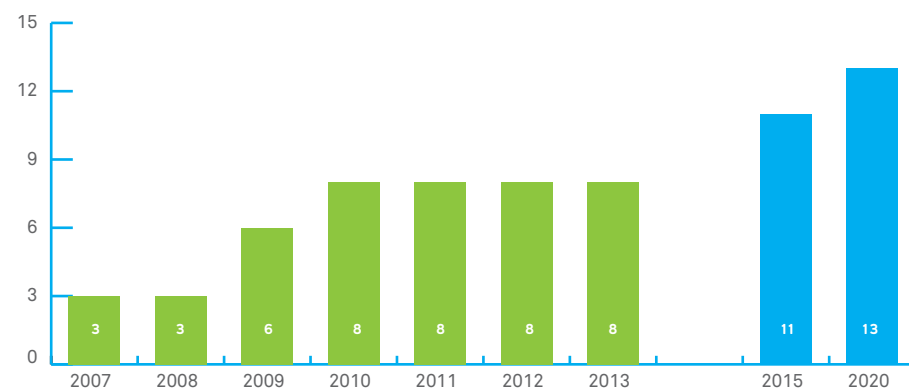
Universal accessibility

Following approval of its Universal Accessibility Development Plan 2012–2015 by Québec's Ministère des Transports, and subsequent publication of the plan, the STM continued its initiatives to make its regular network accessible to all.

On the bus network, service for customers in wheelchairs was improved: distribution of the fleet of buses equipped with front ramps was reorganized in order to guarantee a minimum number of trips per line by these vehicles. All our communication tools were reviewed to improve the information provided to this customer segment regarding the new organization of the service. In addition, wheelchair-accessible service will now be available at all times, even in inclement winter weather. Finally, customers were consulted with a view to including universal accessibility measures in the new bus shelters, 68 of which were installed in 2013.

For the métro network, universal accessibility concerns are integrated into all renovation projects. Work to install warning tiles is complete practically throughout the network. At present, elevators are in operation in eight stations, and others are currently being installed at Champ-de-Mars, Jean-Talon and Snowdon stations. To complement this effort, studies were launched for the addition of elevators at Place-d'Armes, Rosemont and Mont-Royal stations.

NUMBER OF MÉTRO STATIONS EQUIPPED WITH ELEVATORS



PRIORITY 2

MAKE PUBLIC TRANSIT ACCESSIBLE TO AS MANY PEOPLE AS POSSIBLE (CONT'D)

The fare vending machines in all 68 métro stations are now accessible to visually impaired customers. An audio function has been added; this means that customers can plug their headset into the terminal, listen to the instructions in French or English, and complete their transaction completely autonomously.

In addition to equipment and infrastructure, the STM relies on employee training to improve the network's universal accessibility. Through simulation exercises, videos and presentations by people with functional limitations, the STM has developed a number of training programs (focusing on universal accessibility and quality of customer service) in collaboration with its partners in various associations.

The new website and its mobile version were launched in July 2013, replacing a site that dated from 1997 and making it accessible to a broader segment of our customers. Usability tests have indicated substantial progress, though some improvements remain to be made.

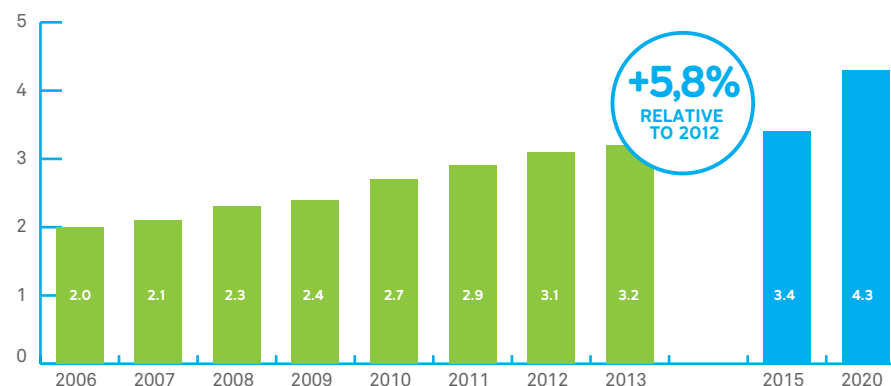
RECOGNITION OF MARIE TURCOTTE

Marie Turcotte, paratransit representative on the STM Board of Directors since 2002, was presented with the Canadian Urban Transit Association (CUTA) Individual Leadership Award at the CUTA 2013 fall conference in Calgary. The award recognizes Ms. Turcotte's unwavering commitment to universal accessibility in public transit.

Paratransit

To complement the universal accessibility of the regular network, the STM offers a door-to-door paratransit service that contributes to the social, professional and economic inclusion of people with functional limitations that have a significant, persistent impact on their mobility. In 2013, more than 25,000 people made use of this service. In response to growing demand from this customer segment, paratransit trips increased by 5.8%, to reach 3.2 million. The STM was able to meet this growth in demand while maintaining an impressive 94% rate of overall satisfaction with the service.

NUMBER OF PARATRANSIT TRIPS (IN MILLIONS)



PRIORITY 2

MAKE PUBLIC TRANSIT ACCESSIBLE TO AS MANY PEOPLE AS POSSIBLE (CONT'D)

To improve its paratransit performance and the customer experience, the STM wants to introduce iBus, a bus scheduling and passenger information system (known as SAEIV) by 2016. In 2013, improvements were made to the existing tools to permit the start-up of iBus.

The STM's careful management is reflected in its paratransit service, among other areas. According to the studies carried out every year by the Canadian Urban Transit Association (CUTA), the STM's cost per paratransit trip is among the lowest in Canada. A comparative study conducted in 2012 by an external firm made the same observation in a comparison with major cities in the United States. However, the current context of growth in demand and levelling out of government assistance makes any increase in service very difficult. Despite this constraint, the STM has decided to meet demand by increasing the budget by 4.2% for 2014. Paratransit is clearly affected by major funding issues. In 2014, the STM will continue its applications to the government to identify new funding sources.

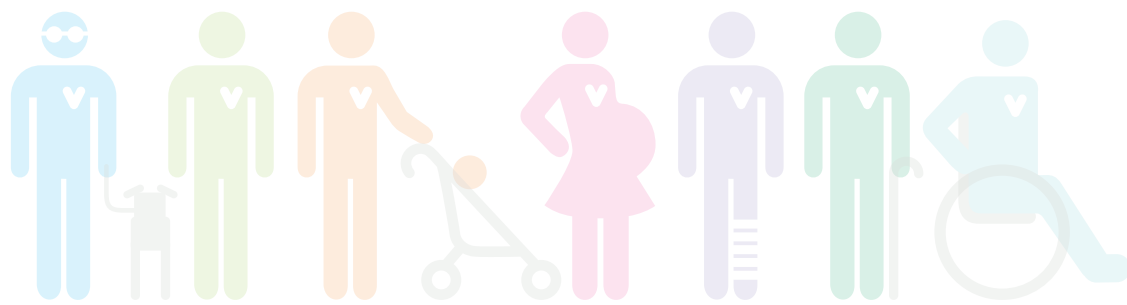
Rate affordability

Fares are also key to making the STM network accessible to as many people as possible. Reduced rates are available for such segments as students and senior citizens. In addition, free transportation is offered for children age five and under, as well as under certain programs like *Family Outings*. In 2013, these reduced and free fares accounted for 28.2% of all trips and a revenue loss of \$65 million.

To reflect 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.

Outlook for 2014

- Following a pilot project involving 800 customers in 2013, rollout of on-line reloading of OPUS cards for all customers
- Further initiatives under the *Universal Accessibility Development Plan 2012–2015*
- Elevators to be installed at two more métro stations
- Gradual replacement of signage to incorporate universal accessibility criteria (spread over a number of years)
- Identification of new sources of paratransit funding



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 urban planning

With a view to integrated planning of transportation and urban development, the STM maintained its dialogue with the city of Montréal, its boroughs and connected cities in 2013. We also performed our annual update of follow-up on current and planned development projects on the island of Montréal. This update enables us to adjust service planning to fit the development projects' changing needs and work more closely with our municipal partners in order to plan public transit before projects are carried out.

In accordance with Montréal's Transportation Plan 2008, the STM helped draw up local transportation plans, including those for Rosemont–La Petite-Patrie, Montréal-Nord and Mercier–Hochelaga-Maisonneuve, which are still being developed.

We also provided our expertise to all métropolitan transportation studies connected with the island of Montréal, such as the light-rail transit system on the new Champlain Bridge, métro extension, Train de l'Est and West Island Mobility Plan.

Moreover, we continued to identify and implement mitigation measures for major urban projects such as the Pie-IX / Henri-Bourassa interchange and Turcot interchange.

PRIORITY 3

CONTRIBUTE TO URBAN PLANNING (CONT'D)

Bus priority measures (BPM)

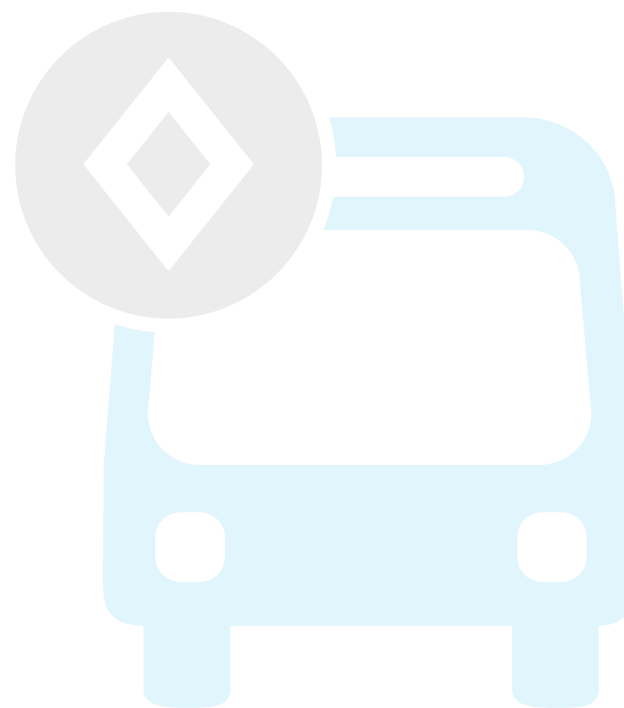
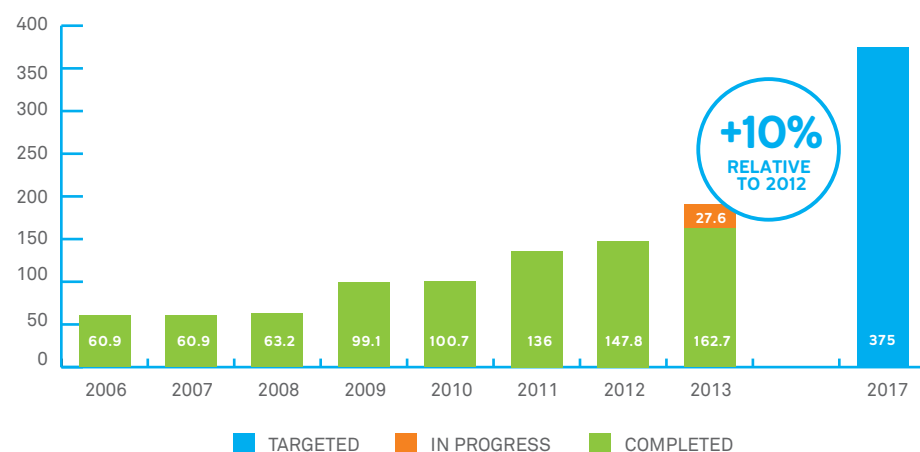
To limit the impacts of traffic congestion and road work on the performance of the surface network, the STM makes use of bus priority measures (reserved lanes and priority traffic lights). These measures have proven their worth in improving bus service efficiency, punctuality and regularity while also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

In 2013, four new stretches of reserved lanes (Côte de Liesse, Léger/Perras, Côte-Vertu, Sherbrooke West) and 22 priority signals were introduced. These initiatives meant the addition of 14.8 km of priority measures to the network, which totalled 162.7 km at December 31. As well, a project for buses to use some sections of shoulders in case of congestion was being implemented on Highway 40 at the end of 2013. Altogether, 27.6 km of additional priority measures were being put into service at December 31. Studies and discussions with local boroughs for the introduction of five new reserved lanes in 2014 are currently under way.

Outlook for 2014

- Addition of bus priority measures along 50 km of roads
- Pilot project for bike/bus sharing of reserved lane on Boulevard Viau
- Establishment of priority signals at certain intersections, in cooperation with the city of Montréal
- Participation in update of Montréal's *Transportation Plan*
- Continued contribution by the STM to major urban projects

BUS PRIORITY MEASURES NETWORK (IN KM)



PRIORITY 4

OPTIMIZE THE STM'S ECONOMIC CONTRIBUTION AND PERFORMANCE

Economic performance

The STM ranks as one of the best-managed transit authorities in North America. The Standard & Poor's and Moody's credit rating services have recognized its careful management by once again awarding it **A+ and Aa2 credit ratings**.

This sound management has also been confirmed by the Imperial College of London's international benchmarking of transit authorities. According to this study, the STM's per-kilometre operating costs are 13% less than the world average for the bus network and 16% for the métro network.

The Canadian Urban Transit Association (CUTA) and the International Association of Public Transport (UITP) have similarly noted the compelling results produced by the agreement reached between the STM and its maintenance employees union. For this initiative, the STM earned the UITP's North America – Grow Innovative with Public Transport award in 2013 in the Business Model category. In 2009, the two parties agreed to work together to achieve business objectives and benefit mutually from the savings generated by the bus network's performance. This shared willingness has played a part in the 29% increase in bus service observed since 2006.

Challenge of asset sustainment

Despite its careful management, the STM is facing major funding issues. It is currently dealing with an investment deficit, particularly in asset sustainment. The original métro network was built nearly 50 years ago, and the STM must soon replace equipment at the end of its service life. The lag in asset replacement in recent years accounts for this investment deficit, estimated at \$3 billion at December 31, 2013. We expect asset sustainment to take up 77% of the company's capital program between now and 2016.

While these investments are partly funded by various government programs, they will have a major impact on our debt service. For 2014–2016, the company will have to finance a total of \$471 million. This will mean an increase in net debt service, which will rise from \$77.5 million in 2014 to \$109.3 million in 2016. This increase puts additional pressure on the STM's budgetary balance and accounts for most of its structural deficit.

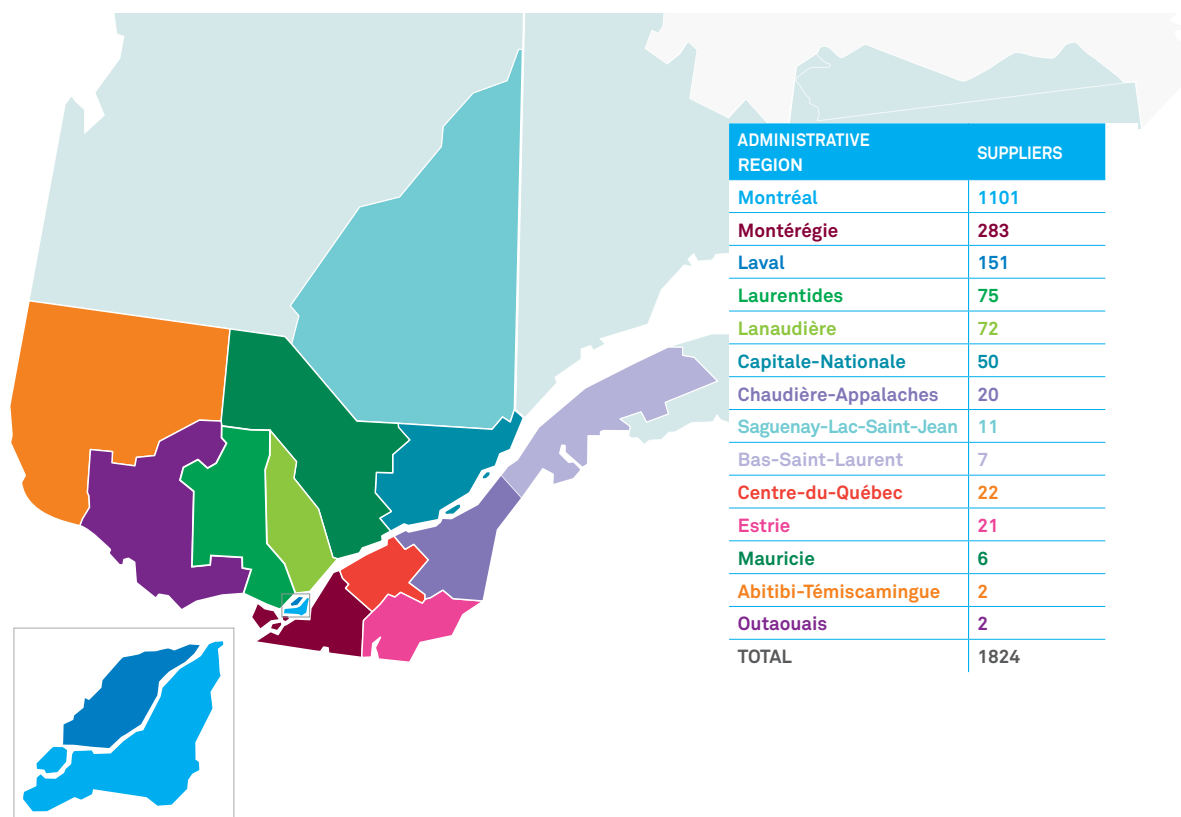
PRIORITY 4

OPTIMIZE THE STM'S ECONOMIC CONTRIBUTION AND PERFORMANCE (CONT'D)

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. The company carries out 97% of its expenditure² in Québec, thereby supporting 1,800 suppliers based in 14 of the province's regions.

In 2013, acquisitions of goods and services totalled \$709 million, up 22% over 2012. The amount of our acquisitions varies from year to year, depending on STM projects and the nature of the activities carried out. This increase is mainly attributable to major projects such as the acquisition and integration of the new AZUR métro cars, construction of the Stinson transportation centre and the program to renovate stationary métro equipment. 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, 48% of goods and services acquired in 2013 were produced in Québec. This expenditure helped sustain 4,200 jobs in addition to those of the STM's 9,800 employees.



Economic spinoff

Indicator	2006	2007	2008	2009	2010	2011	2012	2013
Acquisitions of goods and services (\$M)	380	397	526	622	796	665	578	709
Percentage of acquisitions of goods and services produced in Québec (%)	45 %	45 %	49 %	42 %	41 %	43 %	47 %	48 %
Number of jobs sustained by acquisitions of goods and services	2 163	2 369	2 942	3 011	3 753	3 476	3 397	4 200
Tax spinoffs attributable to acquisitions of goods and services (\$M)	46	45	57	61	82	76	73	94
Tax spinoffs attributable to employee salaries (\$M)	120	117	113	116	134	146	156	159

² Acquisition of goods and services, and Human Resources.

PRIORITY 5

REDUCE OUR ECOLOGICAL FOOTPRINT

Operating a public transit network generates impacts on water, air, soil and resources. The STM is aware of this important issue, and has consequently implemented numerous measures to manage these impacts carefully and responsibly.

Improving overall management of environmental aspects

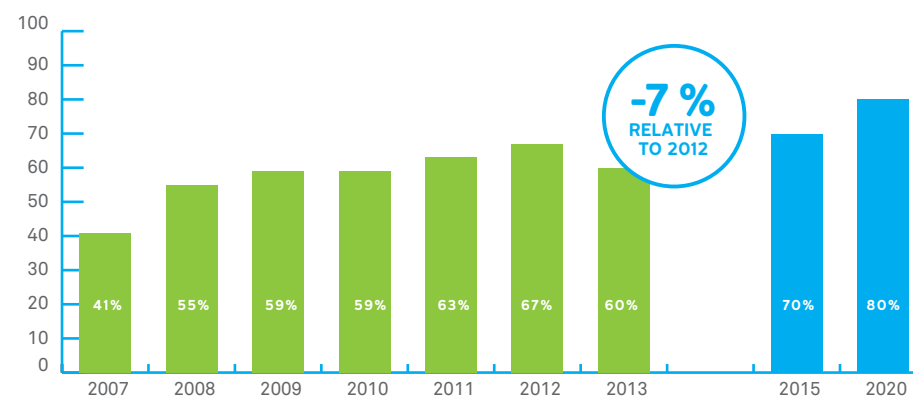
In the past, the STM based itself on its Environmental Protection Plan in dealing with all environmental aspects of its activities. The *Sustainable Development Plan 2020* aims to improve the existing environmental management system by referring to the guidelines of the ISO 14001 standard. A gap analysis, conducted in each of the company's sectors, enabled us to define the implementation strategy to be completed by 2015. At the end of 2013, approximately **50% of elements based on the ISO 14001 standard** had been implemented.

In the last few years, the STM has instituted design criteria and standards that form the reference framework for infrastructure engineering projects. They describe all materials, products, equipment, systems, procedures and methods that designers—whether STM employees or outside consultants—must adhere to in any project connected with STM facilities. These standards allow numerous environmental criteria to be integrated (e.g.: choice of energy efficient equipment, management of construction/renovation/demolition waste, systematic evaluation of the potential for achieving LEED or BOMA Best certification for construction or renovation projects). They were updated in 2013.

Increasing the recovery rate of non-hazardous residual materials

In 2013, the residual-material recovery rate fell 7 points to 60%. This change is largely explained by a marked decline in the disposal of buses at the end of their service lives and of material from construction/renovation/demolition projects.

RESIDUAL-MATERIAL RECOVERY RATE



The drop in the overall indicator obscures the convincing results of the collection strategy for non-industrial plastic/glass/metal (PGM). In 2013, PGM recovery points were set up in most surface facilities (transportation centres and Plateau Youville facility), where the employees were given awareness training. This strategy resulted in a sixfold increase in the weight of PGM materials recovered.

PRIORITY 5

REDUCE OUR ECOLOGICAL FOOTPRINT (CONT'D)

Improving buildings' energy efficiency

The STM works to improve its buildings' energy efficiency. In 2013, heating, ventilation and air-conditioning (HVAC) systems were refurbished at our métro car major overhaul shop. The average energy consumption of our surface buildings was **598 kJ/m²/degree-days of heating**, a 2.8% decrease relative to 2012. However, because of the complexity and uses of STM sites, this improvement cannot be correlated with specific actions. To improve our understanding, control and management of our equipment, we are gradually incorporating building automation into our renovation and construction work. This technology will enable us to optimize the use of the different systems in order to reduce our energy consumption as much as possible while ensuring employees' comfort. System optimization got under way at the Legendre transportation centre in 2013.

Managing contaminated soil

The 2009–2013 plan for comprehensive action on contaminated land came to an end in 2013. Work under the plan continued with the refurbishment of the Legendre and Frontenac transportation centres and the old Saint-Henri garage. As part of the project to build the Stinson transportation centre, 4,980 tonnes of contaminated soil was sent to a treatment centre.

As well, site characterization studies were carried out at the Anjou, Saint-Laurent, Saint-Michel and Legendre transportation centres, and the Plateau Youville facility. At the end of 2013, contaminated sites represented around 7% of the area of sites that had undergone an investigation. Finally, work began on the 2013–2017 plan for comprehensive action on contaminated land.

Conserving water

As stated in the *Sustainable Development Plan 2020*, the STM aims to complete the portrait of its drinking water consumption in 2014 so as to establish a reduction plan in 2015. Recognizing the issues associated with water, we have already taken steps to reduce consumption. The two wash facilities built in 2013 – the bus wash at Stinson transportation centre and the Plateau Youville facility for washing the new métro cars – were equipped with water recyclers and systems for using rainwater. Under optimal operating conditions, these systems will permit a 75% reduction in drinking water consumption compared with conventional washers. They complement the washers equipped with recycling systems already in operation at the Legendre and Frontenac transportation centres. Under the bylaw on uses of drinking water in the agglomeration of Montréal, all of the STM's wash facilities will have to be equipped with water recovery, recycling and recirculation systems by 2018.

Outlook for 2014

- ▶ Further progress of environmental management system based on ISO 14001
- ▶ Launch of 2013–2017 plan for comprehensive action on contaminated land
- ▶ Optimization of HVAC systems at the Anjou transportation centre
- ▶ Improvement of portrait of drinking water consumption
- ▶ Enhancement of separate-collection program in STM offices

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, the company is continuing its efforts to reduce its emissions of GHGs and airborne contaminants. We are participating in the government initiative and have set the ambitious objective of electrifying our system: in other words, acquiring only electric vehicles from 2025 on. In 2013, 69% of trips on the STM network made use of electricity. Our goal is to increase this rate to 86% by 2020. The métro has been 100% powered by hydroelectricity since it was inaugurated in 1966.



En route to electrification

One highlight of the year was meant to be the commissioning of seven fully electric midibuses. With this in mind, the STM had awarded a contract to the manufacturer DesignLine in May 2012. The project finally had to be abandoned in 2013 after that company declared bankruptcy.

In spite of this reversal, the STM is continuing demonstration projects aimed at testing new technologies under the company's specific operating conditions. 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 2012, the STM, together with the Réseau de transport de Longueuil, tested the Citelis Hybride, a hybrid diesel-electric articulated bus from the European manufacturer Iveco Irisbus. The test results were revealed in 2013 and demonstrated that, compared with standard propulsion, this technology yields an approximately 37.5% reduction in fuel in an urban setting, and consequently a proportional decrease in GHG emissions.
- In June 2013, a pre-series hybrid biodiesel-electric bus, made by Nova Bus, underwent 10 weeks of in-service testing. This type of bus is part of the contract signed in 2012, which called for the delivery of 533 new hybrid buses to nine Québec public transit authorities. The tests conducted on the pre-series bus show a 20% reduction in consumption relative to conventional buses.
- In December, a standard electric-powered bus on loan from the Chinese company BYD (Build Your Dreams) underwent out-of-service testing.

For the longer term, Nova Bus and the STM signed an agreement in November for a public-transit electrification project. Under Montréal's City Mobility project, the STM is to put three pre-production models of the fully electric Nova LFSe bus through out-of-service testing at the end of 2015, followed by in-service tests in 2016–2018.

PRIORITY 6

LIMIT OUR ATMOSPHERIC EMISSIONS (CONT'D)

Limiting our atmospheric emissions

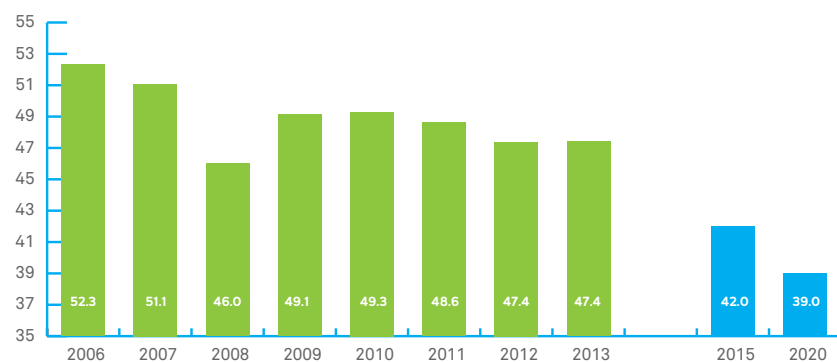
In addition to its research and demonstration projects, the STM is continuing its concrete measures to limit its emissions of greenhouse gases and air pollutants:

- Use of B5 biodiesel
- 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) on all new buses and minibuses.

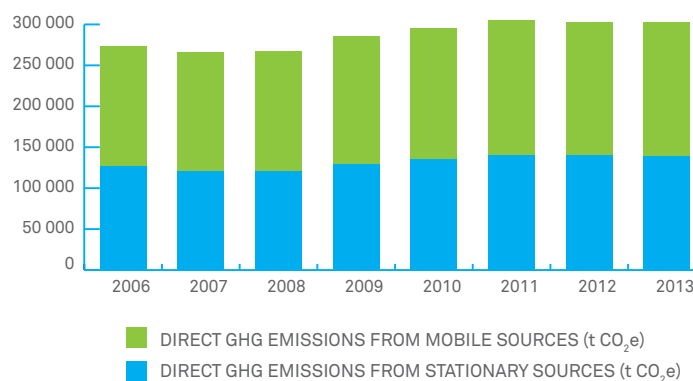
In 2013, the STM's direct GHG emissions totalled 164,600 tonnes, a 1% increase over 2012. Given the many parameters involved in the estimate, this is not considered a significant change.

GHG emissions per passenger-kilometre held steady at 47.4 g CO₂e. We have targeted a 13% reduction in these emissions by 2015, relative to 2011, and a 20% reduction by 2020. The gradual replacement of the bus fleet, in particular through the purchase of 203 hybrid buses by 2016 and the introduction of electric technologies, will help us achieve this objective.

TOTAL GHG EMISSIONS PER PASSENGER-KM (g CO₂e)



TOTAL DIRECT GHG EMISSIONS (g CO₂e)



PRIORITY 6

LIMIT OUR ATMOSPHERIC EMISSIONS (CONT'D)

Service vehicles

In addition to its buses, the STM has a fleet of service vehicles used for employees' job-related travel and other types of work. Since 2007, reducing fuel consumption and atmospheric emissions has been a consideration in the gradual replacement of our service vehicles. In 2013, the STM:

- Replaced 25 small service vehicles with energy efficient models, including two Ford C-MAX Energi plug-in hybrids.
- Added four high-roof Sprinter vans to the fleet as replacements for its cube trucks, for a 21% to 29% reduction in curb weight.

Between 2007 and 2013, the emission intensity of our small service vehicles declined by 19%. At the end of 2013, 15% of these vehicles were hybrid or all-electric, and 55% registered an emission intensity of less than 202 g CO₂e per kilometre travelled.

Outlook for 2014

- Introduction of new articulated buses
- Testing of BYD electric-powered bus in customer service
- Rollout of telemetry systems in operations managers' vehicles



PRIORITY 7

PRACTISE SUSTAINABLE PROCUREMENT

The STM is committed to continuously improving its social, economic and environmental performance through its procurement processes. The *Sustainable Development Plan 2020* aims to integrate sustainable development criteria into 90% of the company's contracts by 2020.

Internally, sustainable procurement is implemented through a change in contract management practices. In line with the *Strategic Plan 2020* and *Sustainable Development Plan 2020*, we have established a supply chain vision for 2020 that includes such targets as "Integrate the sustainable development approach into our practices" and "Practise sustainable procurement." An implementation plan was developed, detailing the main steps to be taken to achieve these objectives. Contract administrators were made aware of the concept and the application of this approach. As well, the executive summaries of resolutions of the Board of Directors contain a sustainable development analysis. Finally, a member of the sustainable development team is responsible for monitoring the supply chain in implementing the STM's approach.

ECPAR

The STM plays an active part in the work of the Espace québécois de concertation sur les pratiques d'approvisionnement responsable (ECPAR), notably as a member of the board of directors of this organization dedicated to sustainable procurement. Under this partnership, we help develop and have access to tools that promote the integration of social, environmental and economic issues into the procurement of goods and services, based on life cycle thinking. In 2013, efforts focused on drafting a document defining sustainable procurement principles and guidelines.

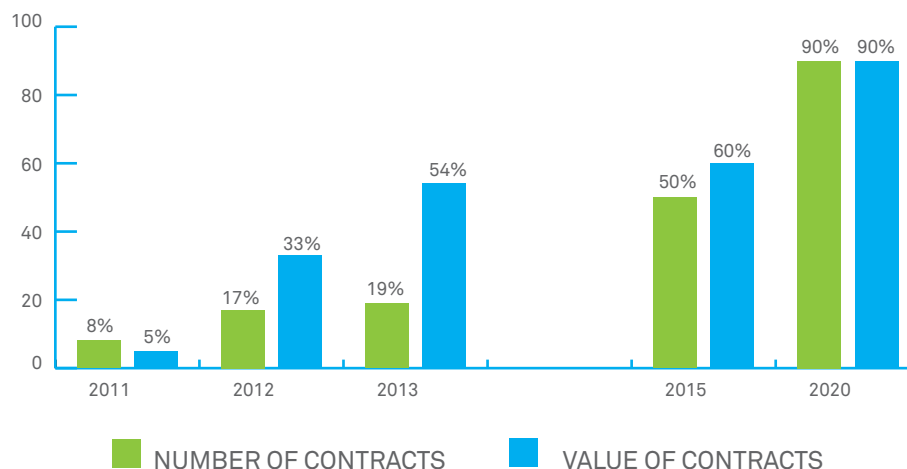
2013 achievements

At the end of 2013, **19% of contracts in progress³ included sustainable development criteria**. To boost the impact of this initiative, the largest contracts were targeted. As a result, the proportion, in terms of value, of contracts including this type of sustainable criteria rose to 54%.

Among the year's other notable achievements, the contract awarded for the purchase of bus tires by Québec's nine transit authorities (group contract) included guaranteed-mileage clauses designed to increase the tires' service life and reduce their environmental impacts. According to life cycle analyses, tire use is the element that has the greatest impact.

A contract was also awarded for the replacement of cleaning products used for infrastructures and the vehicle fleet with eco-friendly, EcoLogo-certified cleaning solutions that meet the LEED standard.

CONTRACTS³ IN PROGRESS DURING THE YEAR THAT INCLUDE SUSTAINABLE DEVELOPMENT CRITERIA



³ 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.

PRIORITY 7

PRACTISE SUSTAINABLE PROCUREMENT (CONT'D)

Finally, in 2010 a Québec designer was placed in charge of creating new STM employee uniforms, with special attention to the quality and durability of materials. The supplier selected in 2013 has a code of ethics that promotes the principles established by the International Labour Organization and the Universal Declaration of Human Rights through its contact-awarding processes. These principles encompass the main issues related to workers' rights (child labour, compensation, hours worked, freedom of association, etc.), health and safety, and working conditions. Our supplier also undertakes to conduct plant visits and inspections to ensure compliance with the code of ethics. The new uniforms will be introduced at the usual rate of uniform replacement.

ECO-DESIGN OF NEW AZUR MÉTRO CARS

The acquisition process for the new AZUR métro cars is a prime example of the STM's sustainable procurement practices. The AZUR prototypes were designed in 2013. The contract awarded in 2010 for the cars, which will be delivered in 2014–2018, includes such sustainability requirements as:

- Compliance with ISO 14001:2004 standard for the work premises of the Bombardier–Alstom consortium and its main subcontractors
- Life cycle analysis of the product, according to ISO 14040 and ISO 14044 standards, to reduce the environmental footprint
- ISO 14062-based eco-design, to reduce the environmental footprint, and obligation to produce a Type III environmental declaration for the product
- Residual-components management plan in line with the 4R principle. The new trains will have to meet a minimum recyclability rate of 92.5%.

Working with social enterprises

In 2013, the STM signed a contract with a social enterprise⁴ named Formétal for the development of a prototype and the supply of residual-material recovery points as part of the separate-collection project in STM offices. Based in Montréal, Formétal trains and assists young adults who are experiencing difficulties integrating into the labour market.

To further extend this effort, the STM committed⁵ to “*L'économie sociale, j'achète*,” a project of the Comité d'économie sociale de l'île de Montréal. This pilot project encourages public institutions to obtain more of their procurement from social enterprises. For the STM, this means that, quality and price being equal, we intend to favour social enterprises.

Outlook for 2014

- Approval and application of a sectoral guideline for sustainable procurement
- Development of a guide to the application of the sectoral guideline
- Training of contract administrators in applying the sectoral guideline
- Pilot project and action plan for integrating social enterprise

⁴ A social enterprise is a business that generates income in order to achieve a social mission. In addition to providing goods or services, social enterprises have positive impacts on various levels: environment, social integration, access to culture, neighbourhood revitalization, etc.

⁵ While the commitment was signed on February 5, 2014, most of the work leading to this commitment was carried out in 2013.

PRIORITY 8

ACT AS A RESPONSIBLE EMPLOYER

Mobilizing the STM's employees is a key factor in achieving the company's business objectives. We intend to keep up our efforts to continually improve our management practices with respect to human resources, quality of life at work and workplace health and safety performance. 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. In 2012, we adopted a declaration for diversity and inclusion.



Diversity

In 2013, as part of our ongoing awareness-building activities among managers and employees, we distributed information capsules and other materials, and incorporated a diversity component into some training programs. A committee of human resources representatives was set up to identify potential areas for improvement in order to maintain our efforts to ensure equal access to employment in all of the company's spheres of activity.

The STM continues to look for innovative solutions, through partnerships and discussion meetings, for example. An in-house seminar gathered 75 human resources professionals to look at the topic of diversity. In June, we held a forum called *"Un univers de possibilités"* (A World of Possibilities), which dealt with integrating and retaining people with disabilities in the workforce; it brought together 75 participants—people with disabilities and those who work with them, employers and human resources professionals.

Workforce diversity	2011	2012	2013
Percentage of women	24.10%	24.30%	24.40%
Percentage of visible and ethnic minorities	20.50%	22.10%	23.00%
Percentage of employees with disabilities	0.50%	0.50%	0.50%
Percentage of Aboriginal employees	0.50%	0.50%	0.50%

To find out more:

http://www.stm.info/en/about/financial_and_corporate_information/about-stm/diversity

PRIORITY 8

ACT AS A RESPONSIBLE EMPLOYER (CONT'D)

Health and safety

The STM is committed to providing all its employees with safe working environments. The many local initiatives to improve employees' health and ensure their safety have led to a decrease in the **frequency of work-related accidents**, which has declined steadily since 2006 to reach **5.2 in 2013**. However, the **severity of work-related accidents** rose slightly to **257.6** in 2013.

For the past three years, as part of health and safety week, booths have been 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. An innovative awareness-raising approach involved using theatre for a dynamic discussion of accident risks. Some 900 employees attended these presentations at STM workshops and garages.

RECOGNITION OF SÉCURIBUS PROGRAM

In May 2013, the American Public Transit Association (APTA) recognized the excellence of the Sécüribus program with a Gold Award in the Bus Safety & Security category. This program was established in 2006 to prevent difficult situations with bus customers. The tools it relies on to reduce work accidents related to assaults are ongoing training, public outreach, tracking, deterrent measures, heightened presence of safety and control officers and inspectors, information booths and support during special events. The number of physical assaults has decreased by half since the program was launched.



**SANTÉ +
SÉCURITÉ**

Employee mobilization

Since 2006, the STM has measured employee mobilization through a survey conducted every two years. 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. As a result of these efforts, the **mobilization index improved from -4 in 2006 to +27 in 2013**.⁶

To follow up this survey, the managers took note of the results, passed them on to the employees and determined, with them, the actions to be taken.

Outlook for 2014

Diversity:

- Update of measures in the equal access to employment program
- Implementation of specific measures for integrating and retaining people with disabilities in the workforce

Health and safety:

- Establishment of risk management programs based on internationally recognized best practices

Mobilization:

- Continuation of “*Leader à bord*” (Leader on Board) leadership development program
- Support for managers in handling the human impacts of major changes such as the arrival of AZUR cars and the iBus system

⁶ Since 2006, we have used a model developed by SECOR-KPMG. Under this model, the excellence zone begins at +40. An index between +20 and +30 falls into an acceleration zone, where the percentage of mobilized employees becomes significant. The STM's strategic plan sets the target of achieving the excellence zone in 2020.

PRIORITY 9

TRAIN AND EQUIP OUR EMPLOYEES AND RAISE THEIR AWARENESS

To back up our sustainable development approach, we must provide support for our employees. By equipping them and increasing their environmental, social and economic awareness, the STM enables them to better understand the issues involved and make sustainable development an integral part of their work.



Training and awareness

A test given to all employees in 2012 to determine their knowledge of sustainable development showed that 99% of respondents consider that the sustainable development approach must be one of the STM's priorities. For many of them, however, sustainable development is senior management's responsibility and is limited to environmental concerns. In light of these results, an awareness-building program was developed and adopted in 2013. Its goal is to establish and improve a shared body of knowledge, spark interest and a commitment to take action, and recognize good practices.

In 2013, a number of articles on different aspects of sustainable development were published in the company's internal media, including the CEO's blog. Some covered exemplary projects such as the Stinson transportation centre, which is aiming for LEED Gold certification, and the eco-design of the new AZUR métro cars—sources of pride and mobilization for all employees. In addition, every year the STM recognizes employees' initiatives, including those related to sustainable development. These articles help raise employees' awareness and mobilize them through concrete examples.

The *Sustainable Development Plan 2020* belongs, first and foremost, to the STM's employees. When it was launched in May 2013, it was announced through various in-house tools: intranet news feed, employee/pensioner newsletter, sectoral publications. To ensure that all employees could clearly understand their contribution, each branch's management committee met with their respective employees at the time of the launch, in order to present the Plan and the priorities that concern them. This information tour concluded with a number of working meetings and had a mobilizing effect.

In October 2013, a training workshop was held for senior management (165 managers). In connection with the *Sustainable Development Plan 2020*, a speaker presented six sustainable development themes. To root this presentation in the STM's reality, short videos provided concrete illustrations of how the company integrates sustainable development. The event received a 99% appreciation rating.

Finally, the gradual integration of sustainable development into the STM's decision-making process enables all employees to examine, in a tangible way, the issues associated with their job and identify the actions to be taken. For example, including a sustainability component in project portfolio management or in recommendations submitted to the Board of Directors offers employees many opportunities to increase their competence in sustainable development issues.

PRIORITY 9

TRAIN AND EQUIP OUR EMPLOYEES AND RAISE THEIR AWARENESS (CONT'D)

Generosity campaign

Another record year for the generosity campaign

The STM has conducted a workplace fundraising campaign for 51 years, since 1962. The annual campaign carried out in cooperation with employees and retirees achieved a new record in 2013: \$1,109,164, for an increase of 2.1% over 2012. The campaign won two awards in 2013: Centraide/United Way's *Coup de cœur* and an Award of Merit from the International Association of Business Communicators.

Two activities stand out for the collaboration provided by a great many employees and retirees: the Christmas baskets operation, which mobilized more than 600 volunteers, and the Camp Papillon clean-up (nearly 200 volunteers). In addition, a collection held in the métro stations to help the victims of the Lac-Mégantic disaster raised close to \$50,000 in a single day.

Outlook for 2014

- Rollout of the program for awareness, recognition and integration of sustainable development into training
- Continued development of tools facilitating the integration of sustainable development into the decision-making processes



PRIORITY 10

ENGAGE OUR STAKEHOLDERS

The contribution made by stakeholders is crucial to the success of the STM's activities. By engaging in dialogue with them, the STM is better able to understand their needs and take them into account. From planning to implementation, this dialogue gives the company's initiatives real added value. The STM also contributes, with its partners, to the advancement of sustainable development.

Dialogue with stakeholders

To improve its stakeholder relations management framework, the STM carried out an internal and external benchmarking exercise in 2013 with a view to drawing up an action plan.

Given the wide range of the STM's activities, its stakeholders are extremely varied. The tools employed in our dialogue are therefore also numerous. The first table shows the main means of communication used in 2013 with the different categories of stakeholders. The second table presents the main concerns of stakeholders and the actions taken by the STM.

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

PRIORITY 10

ENGAGE OUR STAKEHOLDERS (CONT'D)

Stakeholder	Main concerns in 2013	STM actions in 2013
Customers	Service reliability, quality and punctuality Reduction in disruptions while work is going on	<ul style="list-style-type: none"> ➤ We continued the service quality program. ➤ Service quality indicators were posted on the STM website.
	Customer information	<ul style="list-style-type: none"> ➤ The new STM website, including a section giving real-time service updates, was launched. ➤ Our mobile-device app for service status alerts was also launched.
Employees	Working conditions	<ul style="list-style-type: none"> ➤ The collective agreement with clerks was signed.
Higher levels of government and partners	Electrification of public transit	<ul style="list-style-type: none"> ➤ We tested hybrid and electric technologies. ➤ The project to introduce electric buses on Boulevard Saint-Michel was studied. ➤ We signed an agreement for the City Mobility project. ➤ The Stinson transportation centre was designed to be ready for the arrival of electric buses.
	Implementation of mitigation measures in connection with the projects to rebuild the Pie-IX / Henri-Bourassa interchange and the Turcot interchange	<ul style="list-style-type: none"> ➤ Express lines and reserved lanes were added.
	Connection of new hospital centres to the métro network	<ul style="list-style-type: none"> ➤ The CHUM was connected to Champ-de-Mars station. ➤ A scenario for a temporary connection to Vendôme station for the MUHC was adopted.
	Contribution to major projects	<ul style="list-style-type: none"> ➤ We took part in studies on the métro extension, the light-rail system on the new Champlain Bridge, the Train de l'Est and the West Island Mobility Plan.
Municipalities	Linkage and communication with the boroughs before and during work	<ul style="list-style-type: none"> ➤ Work was planned in partnership with the municipalities. ➤ Information was provided to the stakeholders concerned, in particular area residents around jobsites, on the duration and impact of the work. ➤ Projects were presented to municipal authorities and public consultations were held.
	Project rights-of-way / use of public land	<ul style="list-style-type: none"> ➤ Municipal authorities were consulted on all new projects.
	Urban integration of surface facilities (Stinson transportation centre, future Saint-Denis transportation centre, future Crémazie complex and Lionel-Groulx bus terminus)	<ul style="list-style-type: none"> ➤ The Stinson transportation centre was landscaped and designed to exemplary standards. ➤ Refurbishment of the Lionel-Groulx bus terminus was completed.
Civil society	Universal accessibility of the bus and métro networks	<ul style="list-style-type: none"> ➤ The Universal Accessibility Development Plan 2012–2015 was implemented. ➤ 95% of bus lines are wheelchair-accessible. ➤ Universal accessibility criteria were integrated into construction/renovation projects.
	Fare affordability	<ul style="list-style-type: none"> ➤ Regular and reduced fares that are the lowest of major Canadian cities were maintained.
	Respect for infrastructure heritage value during renovation work	<ul style="list-style-type: none"> ➤ Artworks were restored and infrastructure refurbished with due respect for their heritage value.

PRIORITY 10

ENGAGE OUR STAKEHOLDERS (CONT'D)

CONSULTATION WITH STAKEHOLDERS IN DRAWING UP THE SUSTAINABLE DEVELOPMENT PLAN 2020

In our many discussions with stakeholders, the process of drawing up the *Sustainable Development Plan 2020* stands out as a prime example. In 2013, a wide-ranging consultation helped us identify, and share with stakeholders, the sustainable development issues the STM needed to address. This process is detailed in the section “Evolution of Report Content Based on Stakeholder Expectations” in the present report.

STRUCTURING RELATIONS WITH UNIVERSAL-ACCESSIBILITY REPRESENTATIVES

The issues related to the network’s universal accessibility are an essential priority for the STM. To fulfil its commitment laid out in the Universal Accessibility Development Plan, the STM set up the universal accessibility committee at the end of 2012. Born out of the need to consolidate and structure dialogue on this specific issue, the committee is made up of representatives of the STM and people with functional limitations, including the Regroupement des usagers du transport adapté et accessible de l’île de Montréal, as well as Québec’s Office des personnes handicapées. The committee is tasked with monitoring the progress of the Plan and ensuring that the various associations and groups are systematically involved in the integration of universal accessibility in all our projects. In 2013, the committee’s efforts enabled these associations and groups to provide input on a wide range of topics: Navette Or service, bus network accessibility measures, integration of elevators in the métro system, accessible communications, refurbishment of bus terminuses and accessibility of points of sale.

STM contribution to the advancement of sustainable development

The STM is a major player in this field and has contributed for a number of years to the advancement of sustainable development. As such, the company is involved in promoting best practices, in cooperation with a variety of partners.

Within the Association de transport urbain du Québec (ATUQ), the STM contributes to the work of the sustainable development committee. In the specific area of sustainable procurement, we shared our approach with Québec’s other transit authorities at the annual ATUQ conference in October 2013.

In addition, the STM plays an active part on various sustainable development committees (city of Montréal, International Association of Public Transport [UITP], American Public Transportation Association [APTA], Espace québécois de concertation sur les pratiques d’approvisionnement responsable).

Signing of the APTA Sustainability Commitment

In 2013, the STM signed the APTA Sustainability Commitment, which is a system for recognizing transit authorities’ sustainability achievements. Becoming a signatory represents the first stage in this commitment. The next step is to apply for one of the recognition levels (bronze, silver, gold or platinum). Henceforth, we will report annually on the progress made with respect to our indicators, actions and objectives.

PRIORITY 10

ENGAGE OUR STAKEHOLDERS (CONT'D)

Contribution to the advancement of public transit and sustainable mobility

A further mission of the STM is to promote and contribute to the advancement of public transit and sustainable mobility.

In 2013, the following briefs were presented:

- *La STM, un allié incontournable pour la mobilité durable et l'électrification des transports* (The STM, a key ally for sustainable mobility and public transit electrification)

Brief submitted to the Commission sur les enjeux énergétiques du Québec as part of a public consultation on energy issues, from greenhouse gas reduction to Québec's energy self-sufficiency.

- *Répondre aux défis de la mobilité durable* (Taking on the challenges of sustainable mobility)

STM brief presented during the public consultation on Québec's Sustainable Mobility Policy.

- *Le transport collectif: Une solution de mobilité durable favorisant la sécurité piétonne à Montréal* (Public transportation: A sustainable mobility solution for promoting pedestrian safety in Montréal)

Brief presented to Montréal's Commission sur le transport et les travaux publics as part of a public consultation entitled *La traversée de la rue: Comment accroître la sécurité et le confort des piétons* (Crossing the street: How to increase the safety and comfort of pedestrians).

SERVICE POINTS FOR THE HOMELESS, IN COOPERATION WITH THE SOCIÉTÉ DE DÉVELOPPEMENT SOCIAL DE VILLE-MARIE

Homeless people are STM stakeholders for whom taking action is a complex issue. 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 métro 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. In one year, 430 interventions took place in the métro, and 140 of them led to a medical or social consultation at St. Michael's Mission. The results of this pilot project were so conclusive that the STM and the SDSVM decided to extend the project to four other downtown métro stations (Berri-UQAM, Bonaventure, Atwater and McGill) for a three-year period.

Outlook for 2014

- Adoption of a stakeholder relations management framework
- Recognition under the APTA Sustainability Commitment



Statement GRI Application Level Check

GRI hereby states that **Société de transport de Montréal** has presented its report "2013 Sustainable Development Report" to GRI's Report Services which have concluded that the report fulfills the requirement of Application Level B.

GRI Application Levels communicate the extent to which the content of the G3 Guidelines has been used in the submitted sustainability reporting. The Check confirms that the required set and number of disclosures for that Application Level have been addressed in the reporting and that the GRI Content Index demonstrates a valid representation of the required disclosures, as described in the GRI G3 Guidelines. For methodology, see www.globalreporting.org/SiteCollectionDocuments/ALC-Methodology.pdf

Application Levels do not provide an opinion on the sustainability performance of the reporter nor the quality of the information in the report.

Amsterdam, 10 June 2014

A handwritten signature in black ink, appearing to read "Ásthildur Hjaltadóttir".

Ásthildur Hjaltadóttir
Director Services
Global Reporting Initiative



The Global Reporting Initiative (GRI) is a network-based organization that has pioneered the development of the world's most widely used sustainability reporting framework and is committed to its continuous improvement and application worldwide. The GRI Guidelines set out the principles and indicators that organizations can use to measure and report their economic, environmental, and social performance. www.globalreporting.org

Disclaimer: Where the relevant sustainability reporting includes external links, including to audio visual material, this statement only concerns material submitted to GRI at the time of the Check on 21 May 2014. GRI explicitly excludes the statement being applied to any later changes to such material.

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.

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 laws 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 (Source: Grand dictionnaire terminologique de l'OQLF).

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 transportation:

According to the Centre for Sustainable Transportation, a sustainable transportation system is one that:

1. Allows the basic access needs of individuals and societies to be met safely and in a manner consistent with human and ecosystem health, and with equity within and between generations.
2. Is affordable, operates efficiently, offers choice of transport mode and supports a vibrant economy.
3. Limits GHG emissions and waste within the planet's ability to absorb them, minimizes consumption of non-renewable resources and limits consumption of renewable resources to the sustainable yield level.
4. Reuses and recycles its components, and minimizes the use of land and the production of noise.

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).

DOCUMENTS AVAILABLE ON OUR WEBSITE

GRI Index (2013)

[Complete Table of Sustainable Development Indicators 2006–2013](#)

[Sustainable Development Plan 2020](#)

[Activity Report 2013](#)

[Financial Report 2013](#)

OTHER PUBLICATIONS YOU MAY CONSULT

[*Réinventer Montréal*, Montréal's 2008 Transportation Plan, Ville de Montréal](#)

[*Montréal Community Sustainable Development Plan 2010–2015* \(abridged version in English, entire document in French only\), Ville de Montréal](#)

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Ce rapport est disponible en français.