



# SUSTAINABLE MOBILITY REPORT 2017

WORKING TOGETHER TOWARDS  
A SUSTAINABLE FUTURE



# WORKING TOGETHER

## TOWARDS A SUSTAINABLE FUTURE

At VIA Rail, we are playing our part in shaping the future of mobility. Our vision is to be the smarter way to move people by making cities and communities more accessible, connected and sustainable.

To make our vision a reality, we must work together – with the government, cities, and the private sector as well as our rail industry partners and the public – to create an integrated transportation system that promotes Canada's economic prosperity, enables healthier communities and makes mobility greener and more efficient.

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### 2017 HIGHLIGHTS



#### INCREASED NUMBER OF PASSENGER TRIPS

**4.39 million**

total trips taken, with a 11% increase in ridership within the Quebec City – Windsor corridor, reaching 4.39 million trips



#### INCREASED INTER-MODAL RIDERSHIP

**+97%**

increase in passenger volume from inter-modality since 2012



#### REDUCTION IN GHG EMISSIONS

**-34%**

reduction in greenhouse gas emissions per passenger-kilometre since 2005 as a result of various energy efficiency and reduction initiatives



#### INVESTMENT IN SAFETY AND EFFICIENCY

**\$88.4M**

including capital investments in the fleet, equipment and major infrastructure projects



#### IMPROVEMENT IN LOWERING TRAIN INCIDENTS

**-77%**

reduction in our train incident ratio per million train-miles since 2014 as a result of our strengthened safety culture



#### INCREASED AVERAGE HOURS OF TRAINING

**46 hours**

training per employee, up 48% from 2014 as a result of investments in technical skill courses and leadership training



# THE POWER OF LISTENING

## IN CONVERSATION WITH THE PRESIDENT

Yves Desjardins-Siciliano

PRESIDENT AND CHIEF EXECUTIVE OFFICER

### CREATING POSITIVE IMPACTS THROUGH THE GLOBAL GOALS

We continue to support Canada's Federal Sustainable Development Strategy, which focuses on the environmental dimension of the United Nations Sustainable Development Goals (SDGs). Launched in 2015, the SDGs consist of 17 goals for a better world by 2030.

In 2017, we underscored our commitment to the SDGs focusing on four sustainable mobility goals: equitable access, efficiency, security and safety, and green mobility. Page 9 depicts how the pillars of our sustainable mobility plan align with the SDGs.



### HOW IS SUSTAINABLE MOBILITY TIED TO VIA RAIL'S SUCCESS AS A BUSINESS?

Today, more than ever, sustainable mobility is at the essence of why VIA Rail exists and an important part of our company's long-term success.

VIA Rail moves millions of passengers every year across Canada, and we are leading the way to alleviating congestion in cities and reducing transport emissions. There is a greater cause to be served using passenger rail – and that is to improve the health, environment and quality of life of Canadians.

But to be successful we need to maximize our contribution and ensure more people take the train. This will require a mind shift – one where people leave their cars at home and choose more sustainable modes of travel.

Sustainable mobility is not just about what we do as a business but also how we operate. It's the perfect intersection of the sustainable cause, in terms of carbon reduction, and the continued viability of the business. And that's why I like the term "sustainable mobility" – because it's at the core of the raison-d'être of VIA Rail.

### WHAT STANDS OUT IN YOUR MIND AS THE BIGGEST ACHIEVEMENTS IN 2017?

We had a strong and successful year in 2017. Our revenues grew for the fourth consecutive year, our ridership grew for the third consecutive year, and we deepened our stakeholder collaborations.

We invested a lot of time laying out the blueprint of what sustainable business could be. We started looking to the future – if we want to be sustainable, on all fronts, what would that mean?

We asked ourselves, how could stations be more sustainable? Not only greener and less energy consuming, but also accessible, better integrated into the community, and using leading-edge technologies.

We've identified Ottawa as the model train station and have recently improved accessibility, increased security, reduced environmental impacts and created a more seamless integration of sustainable travel modes – including pedestrian access, bike racks and access to the light rail train project.



### 2017 RECOGNITION HIGHLIGHTS

**Most Socially Responsible Transportation Company in Canada** – A 2017 Canadian public opinion study by Dalhousie University in Nova Scotia, ranked VIA Rail the highest among six transportation companies on trustworthiness, social and environmental responsibility, and ethical practices.

**Safety award for innovative electronic tables for Locomotive Engineers** – The Railway Association of Canada recognized the safety of our locomotive engineer electronic tablets for helping eliminate risks of injury, while allowing for enhanced communication and real-time information updates.

**Most Supportive Employer of the Canadian Armed Forces** – The Canadian Forces Liaison Council honored us with two awards for the Most Supportive Employer in Canada Award and the Award of Excellence for Best Practice in Employer Support of Canada's Reserve Forces.

We did the same thing with the trains and customer journey. We looked at how we can make the trip-selection, on-boarding and disembarking simpler, easier, and seamless for all Canadians regardless of physical ability.

We also considered our maintenance centres to better understand how we could manage the work in a safer way for employees, but also in a more sustainable way in terms of selecting better products, and disposing of them more safely.

So, for us, 2017 was really about creating the blueprint that we will follow between now and 2025.

### WHAT DO YOU ENVISION FOR 2018 AND BEYOND?

The challenge I want to set for myself is to enhance the human experience.

Buying a new 21st century fleet for the Québec City – Windsor corridor to replace the equipment that we have will help with that a lot – it's going to allow many benefits for our passengers and our employees. The amenities will be in line with today's lifestyle, including larger spaces for larger baggage like bikes and skis, quiet cars, upgraded WiFi, and better food and beverages.

A new fleet is an opportunity to greatly enhance the customer experience and also enhance the employee experience in servicing our passengers and maintaining the equipment.

I think trains, when compared to any other mode of transport is likely the most sociable environment. It is a unique opportunity for people of different backgrounds to come together and learn about each other in a way that facilitates social cohesion.

I'm very aware that in the next few years, the next generation will be in charge of this country. Therefore, our job is to "set the table" so that the business they inherit at VIA Rail, and the experience they have on VIA Rail trains is in line with their appreciation of the universe, which is greener hearts, connectivity, a better appreciation for the human condition and an openness of mind to the world.

What I hope is that we are creating a legacy of leadership by listening to our passengers and transforming our business, investing in our people and elevating ourselves towards a high performance standard that challenges us to be bold and start thinking differently.

### WORKING BETTER TOGETHER: LISTENING, LEARNING, TAKING ACTION

Provided greater access and more frequent travel options for our customers



through an increase in seat capacity\*, which has grown by 11% since 2009

\*available seat miles

Created more accessible information for our communities



The new "In Your Community" section of our website provides information of upcoming maintenance and construction activities on VIA Rail's infrastructure

Achieved record in our Employee Engagement Survey



resulting in 62% employee engagement, an increase of 16% when compared to 2011

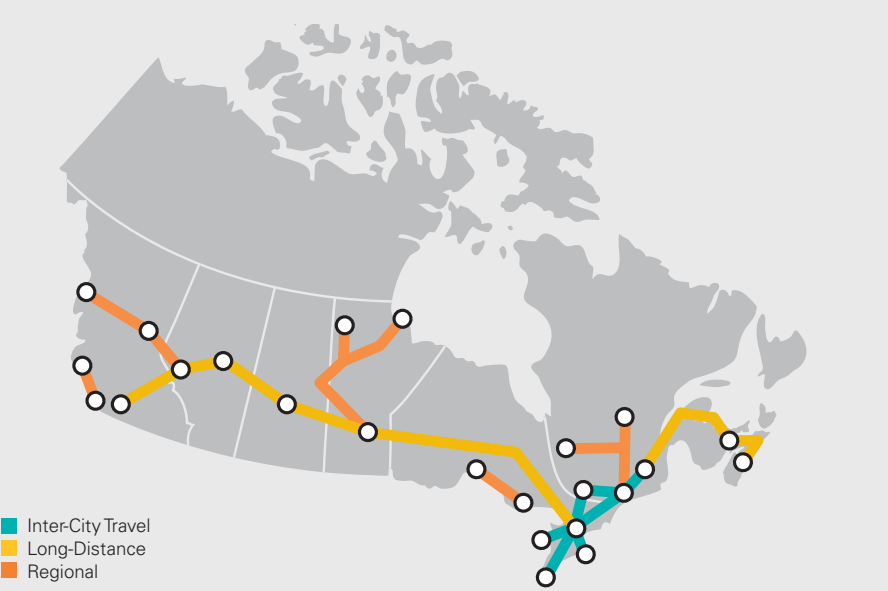
# OUR BUSINESS

## VIA RAIL AT-A-GLANCE

### WHO WE ARE

VIA Rail operates Canada’s national passenger rail service on behalf of the Government of Canada. An independent Crown corporation established in 1977, VIA Rail provides a safe, cost-effective and environmentally responsible service from coast to coast in both official languages. The corporation operates close to 514 train departures weekly on a 12,500 km network, connecting over 400 Canadian communities. With 2,899 employees as of the end of the calendar year, VIA Rail carried 4.39 million passengers in 2017.

### WHERE WE OPERATE



#### INTER-CITY TRAVEL (THE CORRIDOR)

In the densely populated corridor between Québec City, QC and Windsor, ON, VIA Rail trains provide downtown-to-downtown travel between major urban centres, suburban centres and communities.

#### LONG-DISTANCE TRAVEL AND TOURISM

In Western and Eastern Canada, VIA Rail’s trains attract travellers from around the world and support Canada’s tourism industry. The *Canadian*, VIA Rail’s Western transcontinental train, provides service between Vancouver and Toronto. In Eastern Canada, the *Ocean* runs between Montréal and Halifax.

#### REGIONAL SERVICES

VIA Rail provides passenger service in several rural and remote regions of Canada. Mandated by the Government of Canada to meet essential transportation needs, these trains serve many communities where alternative, year-round transportation is limited or unavailable.

\* Services on Vancouver Island and Gaspé are suspended due to infrastructure availability

#### PASSENGER REVENUES PER TRAIN ROUTE

77% Inter-City Travel  
22% Long-Distance  
1% Regional

77%

of passenger revenues are from inter-city travel (in the Corridor)

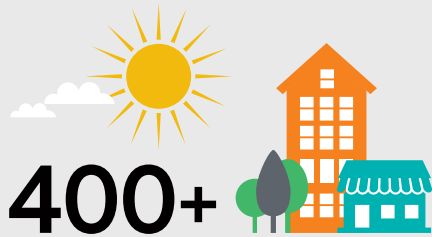
#### PASSENGER TRIPS PER TRAIN ROUTE

95% Inter-City Travel  
4% Long-Distance  
1% Regional

95%

of passenger trips consist of inter-city travel (in the Corridor)

#### COMMUNITIES SERVED



400+

served across Canada

Our key assets reflect the breadth of our business, from our stations and maintenance centers to the fleet of locomotives and train cars we operate, the passengers we serve, the buildings we occupy and the employees who work for us.

### FREQUENCY

#### TRAIN DEPARTURES

514 per week

of which 89% of our trains depart on time



#### PASSENGERS

##### PASSENGER TRIPS



4.39 million

covering 1.5 billion kilometres across Canada of which: 95% is inter-city travel, 4% is long-distance and 1% is regional.

#### EMPLOYEES

##### ACTIVE EMPLOYEES AS OF THE END OF THE CALENDAR YEAR

2,899



##### EMPLOYEE DIVERSITY

34%



of our employees are women, 11% are visible minorities, 2% are people with disabilities and 2% are Indigenous People

#### FLEET

##### TRAIN CARS (IN AND OUT OF SERVICE)

428



##### LOCOMOTIVES

73



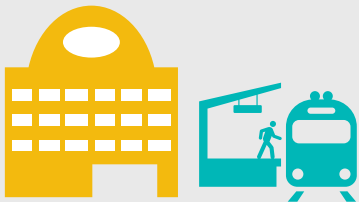
of which 71% have been rebuilt for improved operational and environmental efficiency, to run a safe and fluid service

#### BUILDINGS

##### TRAIN STATIONS

121

of which 54 are heritage stations



##### OFFICES

7

1 head office, 6 regional



##### MAINTENANCE CENTRES

4

state-of-the-art facilities





# WORKING TOGETHER TO BE THE SMARTER WAY TO MOVE PEOPLE

To demonstrate our commitment to action, we spent last year listening to and learning from our stakeholders, which enabled us to shift our mindset to better embrace the opportunities that arise. Through our efforts, we made important progress advancing the four global sustainable mobility goals: equitable access, security and safety, reliability and efficiency, and pollution and climate responsiveness.

## EQUITABLE ACCESS

Working together with the Council for Canadians with Disabilities and the community, we've invested more than \$88 million to improve accessibility in our trains and stations, provided discount packages for designated groups, and increased train capacity and frequency where demand is high.


**451,961**   
passengers took advantage of discounted packages in 2017

## CREATING POSITIVE IMPACTS: WHERE IT CONNECTS



## SECURITY AND SAFETY

Every year, we make significant investments to ensure the safety and security of our operations. We also partner with our industry peers during Operation Lifesaver's Rail Safety Week and other safety events to increase safety awareness along the rail network.

**-36%**   
reduction in the frequency of accidents per 200,000 hours worked since 2011


## RELIABILITY AND EFFICIENCY

We are committed to being Canada's most reliable and efficient national and intercity mode of transportation. Through our fleet renewal project and proposed high frequency rail project, we will be well-positioned to contribute to a more dependable and convenient service for our passengers.

**89.7%**   
on-time performance of all our trains on the infrastructure that VIA Rail owns

## POLLUTION AND CLIMATE RESPONSIVENESS

Our passenger rail service plays an important role in Canada in reducing the transportation sector's contribution to climate change, while helping to relieve congestion and smog issues that threaten air quality in our urban centres.

**-30%**   
reduction of greenhouse gas emissions generated by VIA Rail trains since 2005, a difference of 52,965 tonnes



# SHAPING OUR FUTURE

## SUSTAINABLE MOBILITY AT VIA RAIL



**JEAN-FRANÇOIS LEGAULT**  
Chief Legal & Risk Officer and  
Corporate Secretary

### CANADIAN PUBLIC RANKS VIA RAIL HIGH IN SOCIAL RESPONSIBILITY

Our sustainable mobility efforts are paying off: according to a recent independent study by the Faculty of Management of Dalhousie University in Nova Scotia, we ranked high in the Canadian public opinion with regard to trustworthiness, social responsibility, environmental responsibility and ethical practices – and the highest among six transportation companies.

These results confirm the relevance of our “responsible” strategic direction, which reinforces our path to 2025. By implementing our sustainable mobility plan and strategy, we help build a sustainable society while delivering on our vision to be a smarter way to move people.

Working together, we are taking on a more proactive form of leadership on sustainability that embraces the possibilities for us to transform mobility in Canada, while contributing to a more inclusive and equitable society.

### LEADING THE WAY TOGETHER

Our long-term sustainability lens is a defining factor of our aspiration to be a forward-thinking, high performance and innovative company. We have shifted our emphasis from a short term focus on managing social, ethical and environmental risks to seizing the opportunities for a more integrated transportation system for Canada that is accessible, reliable and environmentally sustainable.

To drive positive change, we must act together to make our vision a reality by engaging in debate and listening to our many stakeholders.

### ALIGNING OUR STRATEGY TO GLOBAL AND NATIONAL GOALS

In 2017, we refined our sustainability aspirations with our 2025 strategic orientations, while aligning with the United Nations Sustainable Development Goals and Canada’s Federal Sustainable Development Strategy 2016-2019.

Four sustainable mobility global goals help navigate our path: to provide equitable access, to ensure safety and security, to provide efficient and reliable services, and to be green, clean and resilient.

These goals are underpinned by the six pillars of our sustainable mobility plan that keep us accountable to our objective of making a significant and lasting difference.

### OUR SUSTAINABILITY PILLARS

**Providing the best customer experience** by ensuring a reliable, affordable, and accessible service for our customers that enables them to experience Canada in a unique way.

**Supporting socio-economic development** by using public funds efficiently and effectively, while contributing to Canada’s economy by providing access and connectivity to a sustainable transportation system.

**Operating safely and securely** by embedding a culture where safety and security is everyone’s first and foremost concern.

**Reducing our impact on the environment** by being the preferred greener travel choice for Canadians, while reducing our emissions per passenger-kilometre and increasing our resource efficiency.

**Being an attractive employer** by supporting a workplace where each employee feels recognized and rewarded for being of service to passengers, to each other, and to the communities VIA Rail serves.

**Managing our business responsibly** by ensuring good governance, accountability and integrity in everything we do, while engaging and consulting stakeholders on their viewpoints.

# CREATING POSITIVE IMPACTS

We are committed to operating our business responsibly, while creating positive benefits that contribute to economic and social prosperity. Last year, we took action to connect the six pillars of our sustainable mobility plan to nine sustainable development goals where we believe we can make the biggest contribution in society.



### CONTRIBUTING TO THE UN SUSTAINABLE DEVELOPMENT GOALS AND THE WORLD BANK SUSTAINABLE MOBILITY GOALS

EQUITABLE ACCESS				SAFE AND SECURE	EFFICIENT AND RELIABLE		CLEAN, GREEN AND RESILIENT	
5	8	11	17	3	4	9	12	13
Gender equality	Decent work and economic growth	Sustainable cities and communities	Partnership for the Goals	Good health and well-being	Quality education	Industry, innovation and infrastructure	Responsible consumption and production	Climate action



# ADVANCING OUR STRATEGY

## ENSURING PERFORMANCE



**BRUNO RIENDEAU**  
Director, Safety and Sustainability

The implementation of our sustainable mobility plan is helping us build a sustainable business for the future, positioning us well for our 2025 aspirations to be a leader in the passenger transportation industry.

### DEFINING OUR SUSTAINABLE MOBILITY PLAN

Over the past year, our sustainable mobility plan was brought into sharper focus, as we refined our actions to ensure they remained responsible to our changing business context.

We actively engaged with our internal stakeholders to exchange views and define specific actions where we could make a meaningful difference to our business, while creating positive benefits on society.

We took the deliberate decision to chart our 2020 course with the ultimate objective of integrating sustainability into all aspects of our business, including our culture, strategies, key initiatives and service offering.

In prioritizing our actions and establishing performance indicators, we took into account how we could best mitigate potential operational and reputational risk, take advantage of opportunities to optimize efficiencies, grow our business and build trust with our customers while creating social benefits for the many communities where we operate.

Our sustainable mobility plan was integrated into our plans leading up to 2025, touching all four strategic orientations.

### EMBEDDING OUR SUSTAINABLE MOBILITY PLAN

Our four strategic orientations represent where VIA Rail wants to be by 2025 – a forward-thinking, high-performance, and innovative organization. It is the roadmap to secure our future and position us as leaders in the transportation industry.

**RESPONSIBLE**

Be a responsible organization by capitalizing on advanced modular technologies

**PERSONALIZED**

Provide our customers, employees and communities with an authentic and personalized experience

**COLLABORATIVE**

Foster collaborative relationships that drive synergistic results

**CONNECTED**

Leverage innovative solutions and ideas to connect our passengers, employees and assets



### OUR SUSTAINABILITY DEPLOYMENT TEAM

Our Sustainability Deployment Team meets on a regular basis to discuss our progress against the sustainability mobility plan. The team members bring together diverse perspectives and act as change agents for our organization as we transform the business.

*“Looking ahead, we will be focused on ensuring multi-functional involvement in the execution of our plan, and aligning our people’s performance incentives with the achievement of our sustainability objectives. Connecting performance to sustainability will help us deliver on our sustainability mobility plan.”*

### MAKING PROGRESS THROUGH THE SUSTAINABLE DEPLOYMENT TEAM

We have clearly defined governance processes to ensure that accountability for our sustainable mobility plan is embedded at the right levels of our organization. The Board is responsible for providing oversight on the implementation of our sustainable mobility plan, reviewing performance and approving our annual Sustainable Mobility Report.

Our Management Committee, led by the Chief Executive Officer, Yves Desjardins-Siciliano, is accountable for ensuring we

have the right priorities and resources to effectively implement our plan. Last year, our Chief Executive Officer’s performance incentives were tied to the achievement of our sustainable mobility plan.

We also successfully launched a Sustainability Deployment Team with multi-functional representation. In 2017, the deployment team met four times to review performance on our action plan, and provided insights on integrating sustainability principles in a way that benefits our business and society.

### ALIGNING TO OUR CORPORATE STRATEGY





# ACTING ON OUR OBJECTIVES

## 2020 SUSTAINABLE MOBILITY STRATEGY

As we continue on our journey towards sustainable mobility, we are committed to achieving the 2020 objectives we set for ourselves. Progress on our plan in 2017 has been positive, positioning us well for our path forward.

PILLAR	PRIORITY	2017 ACHIEVEMENTS	2020 OBJECTIVES
 PROVIDING THE BEST CUSTOMER EXPERIENCE	ACCESSIBILITY AND AFFORDABILITY	<ul style="list-style-type: none"><li>Increased capacity on our trains, and worked with the UIC on a pilot to address passenger visibility impairments</li></ul>	<ul style="list-style-type: none"><li>Make services affordable, increase rail access and frequency, and implement our multi-year accessibility plan</li></ul>
	QUALITY SERVICE	<ul style="list-style-type: none"><li>Strengthened our Customer Centres, and improved travel comfort and onboard entertainment</li></ul>	<ul style="list-style-type: none"><li>Integrate sustainable mobility into the customer experience, including surveys, product offerings, and travel options</li></ul>
	INTER-MODALITY PARTNERSHIPS	<ul style="list-style-type: none"><li>Increased passenger volume from inter-modality by 97% since 2012</li></ul>	<ul style="list-style-type: none"><li>Increase partnerships to foster inter-modality and integrate sustainability into the sales strategy</li></ul>
	SUSTAINABLE MOBILITY HUBS	<ul style="list-style-type: none"><li>Revamped Ottawa Station which includes sustainable mobility design elements</li></ul>	<ul style="list-style-type: none"><li>Formalize and implement sustainable mobility design criteria for new and existing stations</li></ul>
 SUPPORTING SOCIO-ECONOMIC DEVELOPMENT	FISCAL RESPONSIBILITY	<ul style="list-style-type: none"><li>Improved our financial performance, grew efficiency, and invested in state of good repair</li></ul>	<ul style="list-style-type: none"><li>Integrate sustainable mobility into departmental and individual objectives</li></ul>
	VALUE FOR MONEY	<ul style="list-style-type: none"><li>Focused our capital investments on safety and compliance, growth and efficiency</li></ul>	<ul style="list-style-type: none"><li>Integrate sustainability criteria into investment decisions and measure impacts of strategic investments</li></ul>
	COMMUNITY INVESTMENT	<ul style="list-style-type: none"><li>Supported 1,510 community organizations with in-kind trip donations amounting to \$2,423,222</li></ul>	<ul style="list-style-type: none"><li>Enhance our community strategy to align with the sustainable mobility objectives and measure impacts</li></ul>
 OPERATING SAFELY AND SECURELY	RAILWAY SAFETY MANAGEMENT	<ul style="list-style-type: none"><li>Instilled a risk preventive safety culture and reduced train incidents by 77% since 2014</li></ul>	<ul style="list-style-type: none"><li>Ensure the effective implementation of our SMS and measure our safety culture</li></ul>
	OCCUPATIONAL HEALTH & SAFETY (OH&S)	<ul style="list-style-type: none"><li>Reduced our OH&amp;S accident frequency rate per 200,000 hours by 36% since 2011</li></ul>	<ul style="list-style-type: none"><li>Reduce our year-over-year injury rate</li></ul>
	SECURITY STRATEGY	<ul style="list-style-type: none"><li>Updated and enhanced security systems at key stations</li></ul>	<ul style="list-style-type: none"><li>Strengthen security at all our stations</li></ul>
	PUBLIC OUTREACH	<ul style="list-style-type: none"><li>Reduced crossing accidents by 36% since 2014</li></ul>	<ul style="list-style-type: none"><li>Continue to reach communities on VIA Rail's safety initiatives to promote railway safety near railroads</li></ul>

PILLAR	PRIORITY	2017 ACHIEVEMENTS	2020 OBJECTIVES
 REDUCING OUR IMPACT ON THE ENVIRONMENT	CLIMATE CHANGE MITIGATION AND ADAPTATION	<ul style="list-style-type: none"><li>Reduced our GHG emissions by 30% when compared to 2005, surpassing our 2020 objective of 20%</li></ul>	<ul style="list-style-type: none"><li>Reduce our GHG emissions by 20% by 2020 and 30% by 2030, when compared to 2005</li></ul>
	CRITERIA AIR CONTAMINANTS (CAC)	<ul style="list-style-type: none"><li>Improved our fuel conservation and train idling practices, and achieved a 24% reduction since 2009</li></ul>	<ul style="list-style-type: none"><li>Reduce our total CACs by 20% based on 2009</li></ul>
	WASTE MANAGEMENT	<ul style="list-style-type: none"><li>Selected new waste contractors, which will help us improve our waste minimization and diversion rates</li></ul>	<ul style="list-style-type: none"><li>Contribute to the circular economy and divert a minimum of 10% of our waste from landfills</li></ul>
	SUSTAINABLE PROCUREMENT	<ul style="list-style-type: none"><li>Initiated the formalization of sustainability into the procurement process</li></ul>	<ul style="list-style-type: none"><li>Develop and implement sustainable procurement guidelines</li></ul>
	ENVIRONMENTAL BENEFITS OF RAIL	<ul style="list-style-type: none"><li>Promoted the environmental benefits of rail through speeches, marketing campaigns, and social media</li></ul>	<ul style="list-style-type: none"><li>Promote VIA Rail as the smarter, greener travel choice at schools, businesses and government organizations</li></ul>
 BEING AN ATTRACTIVE EMPLOYER	ATTRACT PEOPLE	<ul style="list-style-type: none"><li>Hired and successfully onboarded 545 new employees</li></ul>	<ul style="list-style-type: none"><li>Increase the internal and external talent pool</li></ul>
	DIVERSITY AND INCLUSION	<ul style="list-style-type: none"><li>Maintained a gender-balanced Board of Directors and continued improving the representation of designated groups in our workforce</li></ul>	<ul style="list-style-type: none"><li>Increase gender diversity to 30% in management positions and develop an Indigenous People strategy</li></ul>
	HEALTH AND WELL-BEING	<ul style="list-style-type: none"><li>Initiated the VIAWELL Ambassador program nationally to increase awareness on mental health at all levels</li></ul>	<ul style="list-style-type: none"><li>Implement five new initiatives related to the National Standards on Psychological Health in the Workplace Program</li></ul>
	TALENT DEVELOPMENT	<ul style="list-style-type: none"><li>Graduated the first group from the VIA Rail Leadership School, which included 8,910 hours of training for our people</li></ul>	<ul style="list-style-type: none"><li>Develop skills and competencies relating to our sustainable mobility objectives</li></ul>
	EMPLOYEE ENGAGEMENT	<ul style="list-style-type: none"><li>Achieved a 62% engagement score in our engagement survey</li></ul>	<ul style="list-style-type: none"><li>Strive for an engagement score of 65% or greater</li></ul>
	INNOVATION AND CREATIVITY	<ul style="list-style-type: none"><li>Implemented a Centre of Excellence in the Montreal Maintenance Centre to encourage our employees to find innovative solutions</li></ul>	<ul style="list-style-type: none"><li>Embed an innovation culture across the organization</li></ul>
 MANAGING OUR BUSINESS RESPONSIBLY	ETHICAL CONDUCT AND RISK MANAGEMENT	<ul style="list-style-type: none"><li>Continued to reinforce our commitments on ethics and integrity</li></ul>	<ul style="list-style-type: none"><li>Integrate sustainability considerations into the Code of Ethics and risk management framework</li></ul>
	TRANSPARENCY AND COMMUNICATION	<ul style="list-style-type: none"><li>Engaged 340 communities and community leaders across Canada</li></ul>	<ul style="list-style-type: none"><li>Implement a stakeholder / community engagement strategy and framework</li></ul>



# PROVIDING THE BEST CUSTOMER EXPERIENCE

## PUTTING THE PASSENGER FIRST



**MARTIN R. LANDRY**  
Chief Commercial Officer

When our customers choose VIA Rail, they know we offer something different – a more accessible, comfortable, safer and less stressful travel experience that encourages them to leave their cars at home. With more travellers opting for the train, our priority is to improve mobility access and ensure we deliver consistently great service at each step of the journey through more personalized and authentic interactions.

Putting the passenger first is at the heart of everything we do. To provide the best customer experience, we spent the better part of the year listening to our customers, understanding their needs, and improving service quality and mobility access.

Notably, we increased capacity on the trains in highest demand, added direct connections on our popular Québec City – Montréal – Ottawa route, and further expanded our commuter options to and from Montréal, including two additional stops in Saint-Hyacinthe during rush hour.

We also participated in festivities to mark Canada's official 150th birthday, and continued our successful "Why Don't You Take the Train?" marketing campaign.

The campaign provided timely messages to encourage travellers to leave their cars at

home and avoid traffic jams and stress by choosing a smarter, simpler, and greener way to travel – the train!

Through our inter-modal partnerships, we are working together with other passenger carriers to make end-to-end travel even easier. We are pleased to see these efforts are paying off and enhancing the appeal of public transport.

In 2017, our ridership increased by 11% compared to 2016. This represents our 3rd consecutive year of growth in ridership.

Thanks to our customer-focused strategy and the hard work and dedication of all our employees, we have been consistently meeting and exceeding our targets.

### CREATING POSITIVE IMPACTS: WHERE IT CONNECTS



### 2017 ACHIEVEMENTS

#### INCREASED TRAIN RIDERSHIP

# 4.39M

passenger trips representing an increase of 11% since 2016

#### STRENGTHENING CUSTOMER SATISFACTION

# 50



Net Promoter Score, an increase of 28% since 2015, reflecting the growing strong satisfaction our customers have with our service

#### EXPANDING INTER-MODALITY USERS

# 114,716

passengers used inter-modal connections in 2017, an increase of 97% since 2012



# ENHANCING QUALITY SERVICE

**SUPERIOR SERVICE  
IMPROVES CUSTOMER  
SATISFACTION**

**+28%**   
increase in our net promoter's  
score since 2015

Our front-line staff are making a real impact on our customer's experience. Customer satisfaction is measured on a regular basis and assessed at every step of their journey. The quality of the service they receive on the train really stands out and is an important driver of our good results.

We are committed to delivering superior service by providing our customers with a reliable, comfortable and convenient travel experience that promotes healthier lifestyles and enriches their quality of life.

As part of our customer-centric strategy, we focused our efforts last year on learning more about our passengers and understanding their preferences and behaviours in order to deliver an outstanding service.

Today, we stand out across a diverse customer base because of the work we are doing on a daily basis to increase train frequencies, enhance personalized and authentic customer experiences and improve comfort both within our trains and at our stations.

In 2017, we were pleased to launch our new kids program, "Choo Choo Club" – a winning proposal from our national employee recognition program. Through the club, kids aged 2 to 11 can participate in an array of educational games and other fun surprises to keep them entertained for the whole trip and create lasting memories.



Our new front-line staff uniforms update their look, increase their visibility in stations and trains, and align with our branding.

We also launched a customer-friendly baggage policy making it easier for customers to connect to other travel modes. We simplified fees for excess and overweight baggage in collaboration with our airline partners, while increasing flexibility of carry-on allowance for over-sized articles.

Our onboard and in-station employees are now more visible with their new VIA Rail uniform accessories.

**IMPROVING CONNECTIVITY: NEW CUSTOMER CENTRES**

Our customer centre agents at our new all-in-one multi-channel contact centres are more focused than ever in providing faster and more personalized customer interactions. With the recently implemented Customer Relationship Management tool, our agents have relevant information to significantly improve the quality and duration of customer calls.

We know that our customer's time is valuable and this new tool is making a difference in their interaction with us.

LEFT: Celebrating our new VIA Rail Customer Centre in Montréal.



**IN FOCUS**



## CREATING PERSONALIZED AND AUTHENTIC EXPERIENCES

The VIA Rail experience is as unique as each of our customers. From the moment they start thinking about their trip until the moment they arrive at their destination, we ensure our passengers are given personalized and caring service, which we believe makes a real difference in their journey with us.

Our focus on improving the customer experience through personalized and authentic interactions remained an important priority in 2017.

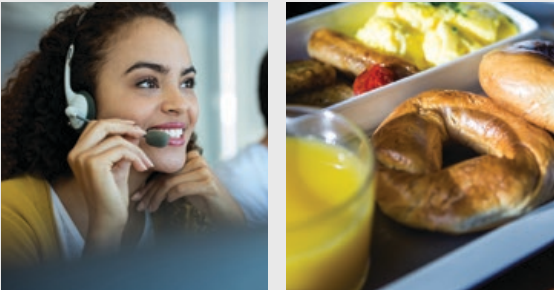
**Digital Technologies:** Our VIA Rail Mobile app continues to be popular with our passengers, providing real-time information on upcoming stops and their train's location, access to e-boarding passes and time savings when booking tickets.

**Customer Centres:** Accelerated the implementation of our Customer Relationship Management (CRM) information with our Customer Centre agents to enable faster and more personalized interactions.

**Travel Comfort:** Improved our Economy class menu, and integrated more Canadian products including new wines to our Business class menus. We also introduced earpieces for our onboard employees in the Québec City – Windsor corridor, enabling us to minimize the noise on board our trains from employee radio communications.

**Onboard Entertainment:** Launched our new Choo Choo Club, to provide fun entertainment and surprises for kids aged 2 to 11, and added new content and a podcast channel to the On Train entertainment system.

In 2018, we will improve the onboard experience with new payment methods and new food choices.





# PROVIDING ACCESSIBLE MOBILITY

**AFFORDABLE TRAVEL  
OPTIONS FOR ALL  
WALKS OF LIFE**

**DISCOUNTED PACKAGES**  
% of total discounted trips taken

■ Students	54.4%
■ Children	28.9%
■ Military	9.8%
■ Seniors	4.7%
■ Indigenous People	1.5%
■ New Canadians	0.7%



10%

of our passengers took advantage of our discounted packages, including 44,403 members of the military and veterans and 3,106 by new Canadians.

We are committed to remaining Canada's most accessible national and intercity mode of transportation. With more than 400 communities in Canada benefiting from a nearby VIA Rail train station or stop, Canadians from all walks of life have access to a convenient, affordable and accommodating means of transportation.

**Convenience:** Over the past year, we successfully increased the accessibility to our trains by making the trip experience even more convenient. Working together with other railway owners, we improved our schedules to give passengers greater flexibility when planning their trips. This included summer schedule adjustments on our popular Québec City – Montreal – Ottawa route, train frequency improvements between Ottawa and Toronto, and the addition of two stops in Saint-Hyacinthe during rush hour.

**Affordability:** We continued to provide affordable passenger rail services to Canadians through our discounted packages for students, children, seniors, military, new Canadians and Indigenous People.

To celebrate Canada's official 150th birthday last year, we participated in many of the festivities providing additional reduced fares for Canadians travelling to these events onboard our trains. In addition, over 4,000 young Canadians hopped on our trains taking advantage of our Canada 150 Youth Pass.

**Accommodation:** To ensure passenger rail remains at the forefront of accessible transportation for travellers with mobility or other limitations, we continued to engage the community and the Council for Canadians with Disabilities to inform improvements to our trains and stations. We are also working with the International Union of Railways (UIC) on a pilot project to help passengers with visual impairments.

Today, all our trains are wheelchair-accessible and equipped with tie-downs and grab bars to make it easier to move around onboard. Our attendants are available to escort passengers to the platform, help them get on and off trains, and assist with baggage.

**INVESTING IN OUR STATIONS TO  
PROVIDE MORE OPTIONS FOR SPECIAL NEEDS**

Our station in Ottawa, which is being revamped was designed with accessibility in mind. We invested \$20 million to bring the building up to universal accessibility standards. This includes an elevated train platform with a side access ramp and new elevators to facilitate access to the tunnels and boarding platforms. Specialized equipment and assistance is available to make it easier to enter and move around our stations, and our attendants are available to assist with baggage.

**LEFT:** Work in progress at Ottawa Station will make it fully accessible and more sustainable.

**VIEWPOINT**



## MAKING TRAVEL EASY, ENJOYABLE AND ACCESSIBLE FOR OUR PASSENGERS



*"Once onboard, we settled into our comfortable seats, learned about the accessible features of the train car, and enjoyed a wonderful day with inclusive features throughout our journey that opened our eyes to the endless possibilities that VIA Rail can deliver."*

**SUZAN JENNINGS**  
Passenger

We are committed to being at the forefront of accessible transportation for all travellers. This means allowing people to move freely and easily access what they need: jobs, markets, social interactions, education and other services and amenities, irrespective of income, age, gender, and physical disability.

Last year, our front line staff were pleased to welcome Suzan Jennings and her husband on board our train from Sarnia to Ottawa. As a person with physical disabilities, comfort became an important priority as she moved around our station and on board our train.

Upon her arrival, two of our attendants were there to greet Suzan at the platform. We used our innovative elevated train platform with a side access ramp to seamlessly move Suzan onto the train. Once on board, our attendants escorted her to her seat, and communicated all the accessible features the train had to offer.

For people travelling with disabilities, we want to make travel easy, enjoyable and a truly personalized and authentic experience. It was a pleasure to hear that Suzan's experience with us exceeded her expectations.

Upon reflection, she recounts: "From our departure at Sarnia Station to our arrival at the Ottawa Station, we were met with warm smiles, gentle interactions, amazing food, attentive service and large comfortable seats. As a bonus for persons with disabilities, the accessible washroom even included a transfer seat. We had high expectations that our train experience would be better than our air experience... and it was."

Our more than \$100M investments over the past few years in our trains, stations and frontline services are significantly improving our offer to all Canadians.

Today, we remain the most accessible national and inter-city mode of transportation in Canada.

**\$88.4M**

invested to improve accessibility across our assets

**13,500**

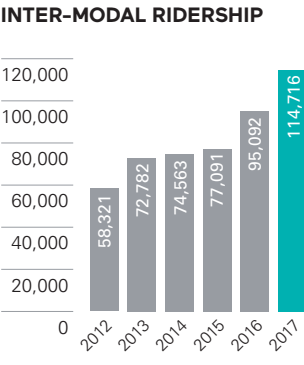
special-needs requests answered with care by our in-station and onboard employees annually





# ENABLING MORE SUSTAINABLE TRAVEL OPTIONS

**PARTNERING  
WITH INTER-MODAL  
CONNECTION PROVIDERS  
SPURS RIDERSHIP**



**+97%**  
increase in passenger volume  
from inter-modality since 2012

To enhance the attractiveness of public transport for all Canadians, we are actively encouraging inter-modality, in line with Canada’s vision for a more sustainable integrated transportation system.

Since 2011, we have been working collaboratively through our many inter-modality and inter-operability partnerships so that both transport operators and journey planners can combine different modes of transportation in a seamless travel experience.

Today, our passengers have access to diverse carriers, including commuter trains, motor coaches, car-sharing companies, ferries, airport shuttle buses, and airlines. These inter-modal partnerships are helping improve economic activity, increase the modal share of rail by encouraging people to leave their cars at home, reduce greenhouse gas emissions, and promote quality of life by connecting people and communities.

New partnership agreements are continuously being formed. Today, we partner with 10 inter-modal strategic connection providers, including

Union Pearson Express, Billy Bishop, Montreal Airport shuttle. This year alone, 14,716 passengers took advantage of inter-modal transportation, enabling us to avoid 261,357 tonnes of GHG emissions.

In 2017, we increased our footprint in journey planning by including inter-modality options on the Kayak Meta Search Engine as well as on a new travel online booking site ‘Nu Travel’ for our corporate clients.

We collaborated with the Régie intermunicipale de transport Gaspésie (RÉGÎM) shuttle bus from Campbellton train station to the city of Gaspé, and Airbus in the London and Sarnia area, to harmonize their schedules around our train arrivals and departure times.

We also started to align our baggage allowance with other carriers, making it easier for travellers to hop between modes of transportation. In the coming year, the revamp of our core reservation system will help strengthen inter-modality connections to other transportation services, schedules and ticketing options.

**CONNECTING PEOPLE WITH INTER-MODAL OPTIONS**

Our inter-modal options are especially popular in the Québec City-Windsor corridor. For example, through our partnership with UP Express, our passengers can travel with VIA Rail to Toronto Union Station and connect to Pearson Airport (two of Canada’s busiest hubs). As a result, residents from communities across southern Ontario and Québec can book their trip to Pearson Airport in a single transaction, making travel on a connected network seamless, convenient and attractive.



**IN FOCUS**

## CANADA 150: INCREASING ACCESSIBILITY TO ENABLE STUDENTS TO EXPERIENCE CANADA



By providing greater access to passenger rail transportation, we play a foundational role in connecting communities across Canada. Last year, we were proud to participate in many of the festivities to mark Canada’s 150th birthday, enabling our travellers to experience and explore our nation’s incredible sights.

As part of the 150th anniversary celebrations of Canada, we offered a sought-after travel pass to young Canadians between the ages of 12 and 25. The pass, commemoratively priced at \$150, provided young Canadians with unlimited VIA Rail train travel from coast to coast during the month of July.

The pass was an overwhelming success. Over 4,000 young Canadians hopped on our trains to embark on the journey of a lifetime across the country. The pass allowed them to discover their country, encounter fellow passengers, and experience the advantages of travelling by train.

Passengers proudly shared their memories online on various social media platforms using our hashtag #VIACanada150 and we hosted the longer form tales on the dedicated Canada 150 page of our blog.



PHOTO: @MIREILLESTP

**4,283**

passes sold to students

**22,886**

total trips (segments) taken

**28.7M**

total kilometres travelled





# SUPPORTING SOCIO-ECONOMIC DEVELOPMENT

## CONTRIBUTING TO CANADA'S PROSPERITY



**PATRICIA JASMIN**  
Chief Financial Officer

As we modernize VIA Rail for the future, it will be important that we make strategic investments to renew our fleet and provide higher frequency rail in the Québec City-Windsor corridor. Doing so will enable us to meaningfully contribute to our economic prosperity, promote social inclusion and do our part to support an integrated sustainable transportation system for Canada.

Operating on a network spanning more than 12,500 kilometres and connecting over 400 communities from coast to coast, puts us at the heart of Canada's economic prosperity and social connectivity.

To remain relevant to Canadians, we must continue to efficiently manage taxpayer money, while ensuring we focus our investments on projects that grow revenues, contain costs, and create positive socio-economic benefits.

In 2017, we successfully improved our financial performance driven in part by ensuring our capital investments focus on safety and compliance, growth and efficiency, and state of good repair.

We also completed market soundings and consultations on our proposed new corridor fleet, and continued feasibility

studies on the high frequency rail project to make travel faster, safer and even more efficient within the Québec City-Windsor corridor, where 95% of our passenger trips are taken.

Our contribution does not stop there; we have a great impact by being present in the diverse communities where we live and work. Last year we partnered with more than 1,500 organizations and contributed in-kind travel credits to support events that promote youth, health, diverse communities and Canadian heritage.

### CREATING POSITIVE IMPACTS: WHERE IT CONNECTS



#### 2017 ACHIEVEMENTS

##### IMPROVING FINANCIAL EFFICIENCY

## \$51M

was allocated to efficiency improvements on our network, operations and fleet

##### PARTNERING WITH COMMUNITIES



Provided \$2,432,222 in in-kind travel credits to support various events

##### SUPPORTING LOCAL SUPPLIERS

## \$364M

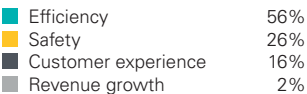
for purchased services, materials and fuel to 2,818 suppliers, of which 94% are Canadian-based companies



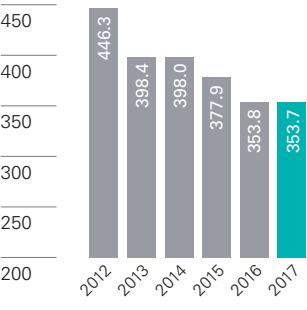
# CREATING VALUE FOR MONEY

## STRATEGIC CAPITAL INVESTMENTS ENSURE EFFICIENCY AND COST CONTAINMENT

### 2017 CAPITAL INVESTMENTS % of total spend



### TOTAL GOVERNMENT FUNDING REQUIRED in millions of dollars



Our business success goes hand-in hand with our ability to create value for our stakeholders and enable long-term economic, environmental and social benefits for all Canadians.

As part of our business transformation, our strategic capital investments are carefully planned to ensure we run a safe, efficient and reliable service. In 2017, we continued our upgrades at Kingston Station as well as in Ottawa Station where we undertook renovations of the elevation platform and electric room, improved accessibility, increased security technology, and expanded sustainable mobility options, including pedestrian access, bike racks, light rail project access and electric car plugs.

We made sizeable investments to rebuild our Locomotive Rail Cars, pursue energy efficiency projects at our maintenance centres, and improve safety and fluidity of the network through infrastructure upgrades.

Our strategic investments in information technology, including enhancements to the reservation systems, are helping us increase ridership and create a more

seamless travel experience. Driven by our disciplined approach to cost containment and revenue growth we improved our cost efficiency.

We also created value by making direct economic and social contributions, including through the wages we paid our 2,899 employees, the in-kind trip credits donated to 1,510 community organizations, and the expenses we paid to 2,818 suppliers, of which approximately 94% are Canadian-based companies.

Greater mobility for Canadians provides further indirect spillover benefits. With more people taking the train, we are enabling greater access to jobs and other social and economic activities, while improving social connections and quality of life.

For example, in 2017, we successfully increased the economic and social activity in Saint-Hyacinthe by working collaboratively with the community to add more stops and further expand commuter options to and from Montréal and Ottawa.

## 2017 VALUE CREATION

Through our service, we are adding and creating positive socio-economic benefits for Canadians.

### CUSTOMERS



4.39M

passenger trips  
providing safe and  
accessible services

### EMPLOYEES



\$265M

wages (including  
benefits) distributed  
improving quality of life

### SUPPLIERS



\$364M

payments to  
suppliers for goods  
and services

### COMMUNITIES



\$2.4M

in-kind travel credits  
donated encouraging  
social engagement

### SOCIETY



261 357  
tonnes CO<sub>2</sub>e

carbon avoided  
creating a healthier  
clean environment

## IN FOCUS

# BEING PART OF THE SOCIAL FABRIC AND STIMULATING ECONOMIC GROWTH



Canada is one of the most beautiful countries and the smarter way to preserve its natural beauty is to leave your car at home and travel by train. By providing access to more than 400 communities from coast to coast, we are stimulating economic growth and enabling travellers to discover their country.

As Canada's only national passenger rail carrier, we play an important role in contributing to the social and economic progress of the communities through which our rail service passes.

To encourage travellers to explore the smaller cities and towns as well as the 'hidden gems' in the larger urban areas across Canada, we maintain a travel blog. Updated on a weekly basis, the blog shares information on the best spots in Canada to visit.

There is a wealth of information for our travellers, including the best restaurants, museums, outdoor activities and venues available. Prominent Canadians were also interviewed to celebrate Canada 150 and asked to share their favorite places to visit in Canada.

When a community is featured in our blog it brings a tremendous sense of pride to the local citizens. Over the past year, the most popular stories shared on the blog were about cities in Southwest Ontario including Chatham, Kitchener and London, as well as the Plateau neighbourhood in Montreal, and Québec City.

In 2017, we had more than 111,000 visitors on the blog, which we believe is helping to encourage ridership, promote the discovery of our country, and stimulate local economic benefits and social connectivity.

Visit the blog at: [blog.viarail.ca](http://blog.viarail.ca).

THE  
BLOG



BLOGGERS & VLOGGERS, EATING & DRINKING, EVENTS & ADVENTURE.  
FRIENDS, LONDON, ONTARIO, SOLO  
FUN THINGS TO DO IN LONDON,  
ONTARIO



CANADA 150 CELEBRITY INTERVIEWS, DESTINATIONS, MANITOBA,  
MONCTON, MONTREAL, NEW BRUNSWICK, ONTARIO, OTTAWA, QUEBEC,  
THINGS TO DISCOVER, WHAT TO DO, WINNIPEG  
DAVID SUZUKI TELLS IT LIKE IT IS





# SUPPORTING COMMUNITY DEVELOPMENT



## ENCOURAGING CANADA'S OFFICIAL LANGUAGES

Every year, we proudly contribute to events that encourage Canada's official languages.

Notably, in 2017, we maintained our 20 year partnership with the Théâtre Français de Toronto, showcasing Francophone culture. We also promoted the Anglophone community in Québec by providing in-kind travel credits to the Young Québécois Leading the Way conference in Ottawa. Participants discussed Canadian identity, social, environmental, and economical questions, and the role of Canada in the world.

As an important part of the social fabric of Canada, we actively partner with a broad array of organizations, including charity groups and non-profit organizations, to create mutual value and broader social benefits within the many communities where we live and work.

We support various community organizations through the provision of promotional in-kind travel credits. The impact areas where we are most focused include youth, health, diverse communities, and Canadian heritage.

In 2017, we contributed a value of \$2,423,222 in ticket vouchers to a total of 1,510 community organizations, including local, regional and national charity groups and non-profit organizations.

**Youth:** We are proud sponsors of our future leaders, providing youth with opportunities for learning, social involvement and civic responsibilities. For example, in 2017, we supported the National Youth Orchestra Canada tour, 2017 Canada Games, Invictus Games, and over 4,000 youth used our Canada 150 Youth Pass to discover Canada.

**Health:** We encourage our employees to support organizations that promote physical and mental health, which we formalized in 2017 through the development of a Contribution Policy. The policy provides guidance on how we select organizations and the type of support available.

**Diverse Communities:** We are committed to connecting and serving Canada's diverse communities. For example, in 2017, we were proud to partner with Equal Voice Canada transporting more than 50 young women to the National Assembly of Québec to mark the 100th anniversary of women's suffrage, to reflect on how far women have come in government, and discuss what still remains to be done.

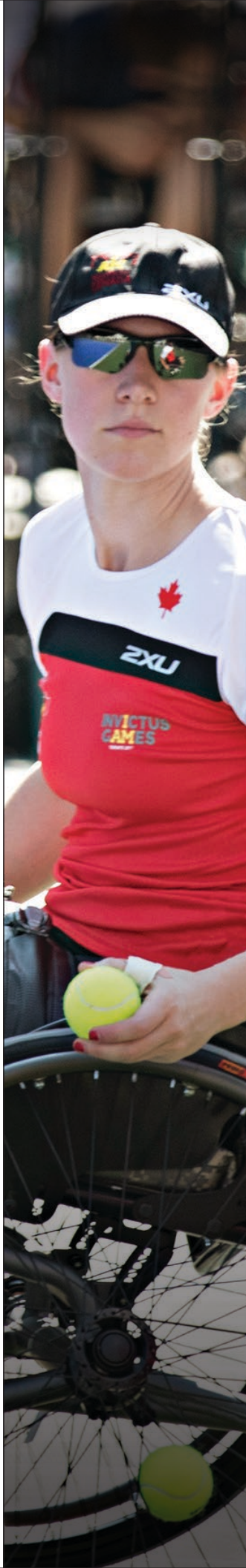
**Canadian Heritage:** We support organizations that enhance the knowledge of our country, its culture and history. In 2017, this included welcoming new Canadians, celebrating our official languages, and supporting military and veterans.

## WELCOMING NEW CANADIANS

As part of our commitment to promote Canadian heritage, we play an active role in welcoming new Canadians to our country and providing them with a discount to travel on VIA Rail trains during their first year as a citizen.

For example, in 2017, we hosted a citizenship ceremony in Québec City, where thirty new Canadians were sworn in, with their families proudly watching, at our Gare du Palais Station. We also support various retention programs for international students through partnerships with Montréal International and Québec International.

LEFT: Citizenship ceremony at the Gare du Palais Station in Québec City.



## IN FOCUS

# PARTNERING FOR STRONGER, HEALTHIER COMMUNITIES



VIA Rail is committed to helping communities prosper and grow. Through our partnerships, we aim to make a meaningful contribution to developing stronger and healthier communities.



**Invictus Games:** Toronto hosted a major international Paralympic multi-sport competition where more than 550 athletes (wounded, injured or sick members of the armed forces and veterans) from 17 countries competed in different disciplines. In recognition of their service and in honour of their personal sacrifice to our country, we provided complementary train rides to the Invictus Games for the Canadian delegation.



**Garrison Family Fun Fest:** In Kingston, we were a major sponsor of the family fest that promoted numerous fun activities for kids, including bouncing castles, an interactive kids' zone and VIA Rail's mini-train. The event attracted more than 25,000 community members and highlighted the important role the military plays in the Kingston area.



**Daughters of the Vote:** We partnered with Equal Voice Canada to bring 338 young women (between the age of 18 and 23) to Ottawa. They attended a one-day conference on women's empowerment that took place in the House of Commons. It was an opportunity to reflect on the progress made by women in the government and discuss what still needs to be done. This partnership was undertaken as part of VIA Rail's long-standing commitment to gender equality and female leadership.



# OPERATING SAFELY AND SECURELY

## SAFETY FIRST AND FOREMOST



MARC BEAULIEU  
Chief Transportation and  
Safety Officer

Nothing is more important to us than the safety and security of our people, passengers and the public.

Safety and security is beyond a priority. It is part of our core values deeply rooted in our preventive culture and reflected in all aspects of our operations. As part of our goal to go from safe to safer, we are committed to achieving a zero incident, no-harm work environment, by fostering a strong safety culture based on teamwork and leadership.

Every year, we make significant investments on safety and security and have a relentless commitment to prevention and continuous improvement. We are focused on ensuring the safety and security of our operations, and providing public safety education.

From an operational perspective, we are instilling a strong safety culture where safety is everyone's first and foremost concern. We held fatigue management workshops and health and safety awareness sessions, and engaged our managers and employees in dialogue to listen to safety issues and share ideas.

In 2017, we were encouraged to see our performance heading in the right direction. Our accident frequency rate improved by 36% when compared to 2011 and our train incident ratio was 0.6.

We also put considerable effort into educating Canadians on public safety around rail property. Last year, we once again partnered with Operation Lifesaver during Rail Safety Week, participated in the Canadian Mental Health Association's Mental Health Week, and the North American Occupational Safety and Health Week, and held our own internal annual health and safety conference.

Together, we are shifting mindsets so that people understand that safety is everyone's responsibility – and we must all do our part to prevent incidents and make our environments safer.

### CREATING POSITIVE IMPACTS: WHERE IT CONNECTS



#### 2017 ACHIEVEMENTS

##### REDUCING ACCIDENT FREQUENCY RATES

**-36%**  
reduction in accident rates per 200,000 hours worked since 2011

##### STRENGTHENING SAFETY MANAGEMENT SYSTEMS



In 2017, a key focus area for our SMS was risk identification, assessment and monitoring

##### LOWERING TRAIN INCIDENTS

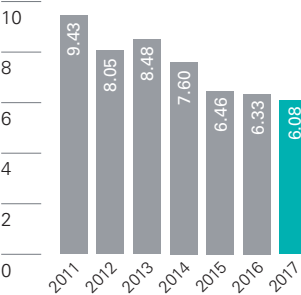
**-77%**  
reduction in the number of train incidents since 2014 as a result of our strengthened safety culture



# EMBEDDING A PREVENTIVE SAFETY CULTURE

**REDUCING INJURIES  
BY IMPLEMENTING  
A COMPREHENSIVE  
SAFETY PROGRAM**

**ACCIDENT FREQUENCY RATE**  
per 200,000 hours worked



Over the past few years, our accident frequency rate has been steadily declining due in part to our focus on proactive safety risk assessments and embedding a strong preventive safety mindset among our people.

Fostering a strong safety culture is at the heart of everything we do – whether in our maintenance centres, in our stations, on board our trains or in the communities where we operate.

In 2017, our focus was on providing extensive training through in-class and on-the-job peer reviews. We introduced Mental Health First Aid training and collaborated with our unions to develop a new fatigue management plan and sensitivity training to reduce fatigue in their personal lives and at work. We also encouraged ergonomic practices in our maintenance centres and worked on measures to prevent baggage handling injuries.

Our managers are proactively engaging our employees on safety performance. With data from our Wi-Tronix technology, managers can now provide real-time feedback on safe train handling practices, and share good practices with our locomotive engineers. Today, positive feedback is provided about 90% of the time.



Montréal Health and Safety conference where participants learned about new safety trends and shared best practices.

As part of our commitment to foster a strong safety culture, we were proud to participate in the 2017 North American Occupational Safety and Health Week. Our 22 Workplace Health and Safety Committees across Canada organized activities in their region to raise awareness on safety prevention. At our Montréal headquarters, we planned a whole week of activities including a lunch and learn about ergonomics and a presentation from UNIFOR about mental health.

**USING SIMULATED ENVIRONMENTS TO  
ENSURE SAFE TRAIN HANDLING BEHAVIOURS**

We purchased a train simulator to replicate the in-cab work environment for our P42 and F40 locomotives. The simulator provides a controlled, immersive training environment, using the latest technologies to recreate different weather conditions and scenarios that may be encountered by our Locomotive Engineers in the real-world. We integrated the simulator into our Locomotive Cab Awareness Training to promote safe train handling behaviours and improve the training provided on human factors.

PHOTO: LAWRENCE KERR PHOTOGRAPHY

VIEWPOINT



## LEADING THE CONVERSATION ON MENTAL WELLNESS



*“At VIA Rail, we are proud to play an active role in the prevention of mental illnesses by promoting workplace health through our management practices, support programs and the training of our employees.”*

**MARIE-CLAUDE LAPORTE**  
Senior Advisor, Disability  
Management and Wellness

We are committed to promoting the mental health and well-being of our employees, our passengers and the broader community. Through our VIAWELL Ambassador program, we are taking important steps to strengthen our internal policies, practices and processes and to engage our people through sensitivity training and awareness.

The VIAWELL Ambassador program was launched in 2017 to champion workplace mental health at all levels of our organization. The objective is to create awareness, engage our people and provide tools to support our employees’ mental well-being. Our focus is on prevention, early intervention, recovery, leave and progressive return to work.

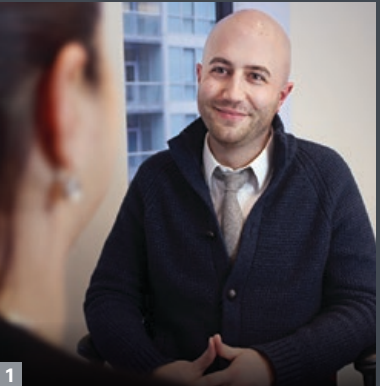
Today, we have 33 VIAWELL Ambassadors who have been trained extensively on mental health. They play a key role in providing support to reduce the stigma of mental illness and promote employee engagement on the issue.

Over the past year, mental health was an important topic at our leadership school training, our annual health and safety conference and our fatigue management workshops.

And, more recently, our approach to helping Locomotive Engineers recover from critical events was positively recognized in a study published by the *Institut de recherche Robert-Sauvé*.

In addition to providing all our employees with a free health check, we also launched a Mental Health First Aid program and trained over 300 employees on how to identify signs of mental health problems in themselves, co-workers, friends, family and the travelling public, as well as refer people to specific services. The curriculum covered topics including substance use disorders, depression, anxiety disorder and psychosis.

**RIGHT: 1/** VIAWELL Ambassador Matthew Coffen is trained to provide preventative support to fellow employees. **2/** A group of Montréal employees who completed their Mental Health First Aid training.

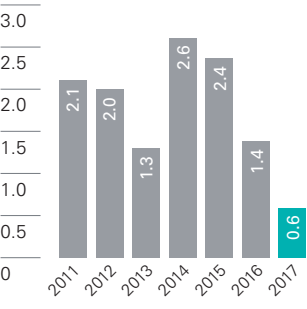




# ENSURING RAILWAY SAFETY AND SECURITY

## OUR RISK-BASED APPROACH IS HELPING REDUCE TRAIN INCIDENTS

TRAIN INCIDENT RATIO<sup>1)</sup>  
per million train-miles



1) Includes rail yard collisions, mainline collisions, derailments with at least one wheel off the track, exceeding limits of authority violations, speeding infractions; excludes crossing accidents and trespassing.

**-77%**

reduction in train incidents  
since 2014

## SYSTEMATICALLY MANAGING PERFORMANCE

Safety and security are the cornerstones of our mandate to offer a national passenger rail transportation service that meets the needs of Canadian travellers from coast to coast.

We recognize the important responsibility we have to meet and exceed, where possible, all safety and security regulations. This includes our obligations under the Railway Safety Act, the Railway Safety Management System (SMS) Regulations, the Memorandum of Understanding on Security, as well as other rules, regulations and best practices. Our Chief Transportation and Safety Officer is our Accountable Executive, who reports to the President and CEO and to the VIA Rail Board of Directors on our performance.

In 2017, our SMS continuous improvement efforts were mainly focused on training our people on risk identification, assessment and mitigation measures. We also tailored our SMS rule compliance monitoring to a more risk-based preventive approach.

For example, by identifying high-risk areas along the network on which we operate, we were able to isolate and monitor speed compliance at specific crossovers, creating a much more efficient and effective process. We ended the year with encouraging results. In 2017, our train incident ratio was 0.6.

In addition to railway safety, we are also making important updates to our security systems at key stations along our network. We continued the installation of innovative technology upgrades, increased the number of security officers at our stations and introduced a canine unit for specialty security work.

Our security programs are an integral part of our responsibility under the Railway Safety Act to promote and provide for the safety and security of the public, our employees, and the protection of property and environment in our railway operations.

## STRENGTHENING SECURITY

Over the past year, we continued to enhance our security at key stations. For example, at Ottawa Station, we completed the installation of innovative technologies such as video surveillance and access management. We also strengthened our law enforcement presence by increasing the number of security personnel and sniffer dogs on patrol in our trains, on our platforms and in our stations, while working together with other law enforcement partners along the network to ensure the safety of our employees and our passengers.



## WINDSOR KIDS SAFETY EVENT

In May 2017, more than 2,350 students from three local school boards boarded our trains to visit the WFCU Centre in the City of Windsor and participate in the 2017 MasterCard Memorial Card activities. While onboard our trains, the kids from Grades 5 and 6 received a lesson in rail safety as part of our Rail Safety Train Program and Education Exposition.

LEFT: Students boarding the train at the Windsor Station as part of the VIA Rail Safety Train program and Education Expo.

*“As part of our commitment to public safety, we were pleased to participate in Railway Safety Week through our partnership with Operation Lifesaver. Nothing is more important to us than the safety and security of our people, passengers and the communities where we operate.”*

**DENIS VALLIERES**  
Senior Director,  
Network Operations

## PRIORITIZING PUBLIC OUTREACH

Over the years, we have made it our priority to educate Canadians about safety around rail property and trains. In our experience, a majority of incidents involving our trains occur when people trespass on rail property or take unnecessary risks when crossing tracks. By working with various community organizations, industry associations and infrastructure owners, we are doing our part to instill a public safety mindset through increased safety awareness and education.

In 2017, as part of our commitment to public safety, we partnered once again with Operation Lifesaver for Railway Safety Week. The week was dedicated to educating the public about the importance of acting with extreme caution around the railways through Operation Lifesaver’s new ‘Look, Listen, Live’ campaign.

This included holding a press conference with the Honourable Marc Garneau, Minister of Transport and our newly-appointed Chairperson of the Board of Directors, Ms. Françoise Bertrand. During the press conference, the government announced its funding support of Operation Lifesaver, and we renewed our partnership with this important cause.



Educating the public during Rail Safety Week in partnership with Operation Lifesaver’s new ‘Look, Listen, Live’ campaign.

Our employees manned information kiosks at several stations including Halifax, Toronto and Jasper.

Passengers got to experience first-hand through a virtual reality video on their phones what it’s like to have a close encounter with a train. Working together with Transport Canada employees and regional representatives, our employees helped educate the public about being safe around railways.

In addition to Railway Safety Week, we also hosted members of the International Association of Railways in Montréal for the International Union of Railways (UIC) International Level Crossing Awareness Day.



# DEVELOPING INNOVATIVE TECHNOLOGY AND INFRASTRUCTURE



## SAFETY AWARD RECOGNITION FOR OUR NEW ELECTRONIC TABLETS

We were recognized by the Railway Association of Canada with the Safety Award for the use of innovative electronic tablets for Locomotive Engineers. The tablets help eliminate the risk of a common injury due to the weight of the manuals and binders, allow for real-time manual updates and facilitates communication with the LEs.

374

LE Mobile Electronic devices  
in use in 2017

Every year, we invest considerably in technology and infrastructure programs to operate a safe and efficient rail service. We also use our Train Status Information Plus (TSI+) to monitor train speed and provide real-time feedback to Locomotive Engineers (LEs) on safe handling.

Our mobile electronic device provides direct communication with our LEs and access to safety rules, eliminating injuries caused by handling heavy manual documents on board our trains. In 2017, we received a Safety Award from the Railway Association of Canada for the mobile electronic device.

Furthermore, condition-based maintenance on our rolling stock and infrastructure is helping to prevent potential failures by conducting more frequent inspections and predicting problems before they occur.

Today, condition-based maintenance is used on several applications including heating and air conditioning systems, refrigerators, diesel engines, automatic car doors, and air brakes.

From an infrastructure perspective, our ongoing work to eliminate rail joints and conduct state of good repair on the 3% of track we own within the 12,500 km network on which we operate, continued to contribute to network safety. We are currently in the design phase of a major project to install side double tracks, which will improve the safety, fluidity and reliability of the network and reduce congestion.

We are partnering with the National Research Council of Canada to assess the quality of our infrastructure, particularly with respect to how the track reacts to changes in extreme temperatures. We will also be continuing to improve our crossing equipment and visual signals to decrease the number of crossing and trespassing incidents.

## MONITORING THE CONDITION OF OUR TRACK WITH INDUSTRY-LEADING TECHNOLOGIES

Our industry-leading technologies help us monitor the condition of our infrastructure enabling us to run a safe and more fluid service. In addition to our ongoing geometry and ultrasonic tests, we also used predictive technologies to proactively detect potential issues, including the use of ground penetrating radar for ballasts. We also equipped some of our level crossings with sensor alarms, enabling us to react quickly, reduce interruptions to services and maintain safe operations.

LEFT: Ground penetrating radar helps determine the state of the ballast.

PHOTO: FTM EXPERT SYSTEM AND RAILTERM INC.

## IN FOCUS

# USING TECHNOLOGIES AND PREDICTIVE MAINTENANCE TO ENSURE SAFETY AND RELIABILITY



In addition to optimizing the use of existing Wi-Tronix technologies to promote safer train handling practices, we are now shifting to condition-based maintenance to predict rolling stock component repairs before a failure occurs to ensure the safety and reliability of our railway service.

Over the past year, we have been working together with our employees to improve the use of our Wi-Tronix information and coach LEs on better train handling practices. We also developed new maintenance inspection schedules to proactively monitor a change in performance of components to predict their useful life while in operation.

**Train Status Information Plus (TSI+):** Through our TSI technology we get real-time information about locomotive and train performance by measuring and reporting data. The data is used by our managers to coach LEs on safer and more efficient handling practices, particularly with respect to fuel consumption and speeding.

**Speedometer Inspections:** Our speedometers are now being remotely monitored more frequently to detect deterioration before a failure occurs. As a result, we are able to prevent inaccuracies and reduce unnecessary distractions for our LEs.

**Thermal Camera Inspections:** Through condition-based monitoring, we have increased the number and shortened the time of train inspections by using thermal cameras. This has resulted in better performance and comfort for customers, less time troubleshooting on failures, and less resources to conduct the inspections.

RIGHT: 1/ Monitoring real-time data from TSI+ technology. 2/ Speed variances are now being remotely monitored to ensure safety. 3/ Inspecting train with thermal camera.





# REDUCING OUR IMPACT ON THE ENVIRONMENT

## SHAPING CANADA'S LOW-CARBON ECONOMY



**ROBERT ST-JEAN**  
Chief Asset Management Officer

Despite the inherent environmental benefits of rail, we recognize the important responsibility we have to do our part to reduce the impacts of our own operations and to ensure the resilience of our buildings and infrastructure to climate change.

Our priority is to improve the carbon footprint of our operations, use resources efficiently, minimize waste, and promote the environmental benefits of rail by encouraging travellers to leave their cars at home and take the train.

Our certified ISO 14001 Environmental Management System (EMS) provides us with the framework to ensure we comply with regulations, prevent pollution and continuously improve our processes. In 2017, we were pleased to see three of our maintenance centres successfully renew their ISO 14001 EMS certifications.

We also adopted a Green building policy, which includes our commitment to achieve LEED certifications on select buildings. And, as part of our climate resilience strategy, we also finalized a contract with the National Research Council of Canada to assess extreme weather vulnerabilities on our infrastructure.

The significant investments we made in capital assets and improved train handling behaviours was the largest contributor to our

reduction in carbon emissions. In recognition of our fuel conservation practices, we received an Environmental Award from the Railway Association of Canada. These accomplishments position us well to reach the goals set by Canada and the International Union of Railways to limit GHG emissions.

Doing more with less is an important tenet of our circular economy commitment. Through our condition-based maintenance program, we are optimizing the use of materials for as long as possible, which in turn helps us reduce waste and save costs. To drive our waste minimization strategy, we plan to work together with our new waste suppliers to help us achieve our waste targets.

### CREATING POSITIVE IMPACTS: WHERE IT CONNECTS



#### 2017 ACHIEVEMENTS

##### LOWERING OUR CARBON FOOTPRINT

# -34%

reduction in greenhouse gas emissions per passenger-kilometre since 2005

##### IMPROVING ENERGY EFFICIENCY



2.2 million kWh saved per year at our Toronto Maintenance Centre from LED lighting

##### REDUCING CRITERIA AIR CONTAMINANTS (CAC)

# -24%

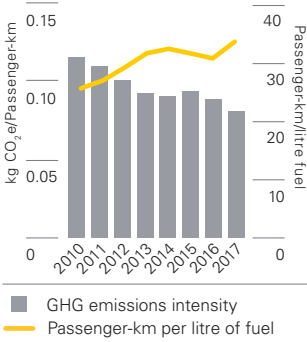
reduction in CAC emissions per passenger-kilometre since 2009



# IMPROVING ENERGY EFFICIENCY AND CLIMATE RESILIENCE

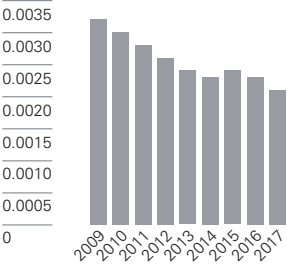
## DRIVING YEAR OVER YEAR FUEL EFFICIENCY IMPROVEMENTS

### GHG EMISSIONS INTENSITY VS. FUEL EFFICIENCY



### CRITERIA AIR CONTAMINANTS EMISSIONS INTENSITY

tonnes per passenger-kilometre



We set ambitious targets, having committed to reducing our carbon emissions by 20% by 2020 and 30% by 2030, based on 2005, in alignment with the goals set by the Canadian Government and the International Union of Railways. To meet our targets we are focused on three strategic priorities.

**Improving Energy and Carbon Efficiency:** With 80% of our emissions generated from rail operations, our efforts are on optimizing car cycling and training Locomotive Engineers (LEs) on fuel efficient behaviours.

We spent the past year making important progress implementing fuel conservation methods in our rail operations and optimizing our train handling behaviours. At the end of 2017, we improved our carbon efficiency by 34% and our fuel efficiency by 30%, based on 2005 levels. Furthermore, our criteria air contaminants intensity improved by 24% since 2009.

Energy efficiency at our buildings is being achieved through building retrofits, including lighting fixtures, air conditioning and boiler systems, and other building envelope refurbishments.

**Renewable Energy:** We continue to explore opportunities to source green energy for our rail and building operations. In 2017, we completed energy audits at three maintenance centres, which identified opportunities for greener energy. We are also working with our rail partners to explore renewable fuel and the use of hybrid electric/diesel engines for our fleet renewal project.

**Climate Resilience:** In partnership with the Railway Association of Canada, we continue to collaborate with our industry peers to understand the impact of extreme weather events on rail. In 2017, we finalized a contract with the National Research Council of Canada to assess and identify extreme weather vulnerabilities on our infrastructure, including temperature changes and the impact of freeze-thaw cycles.

## IMPROVING ENERGY EFFICIENCY AT OUR TORONTO MAINTENANCE CENTRE

Last year, we made significant improvements to the Toronto Maintenance Centre by replacing the existing lighting with LED lighting fixtures within the interior and outdoor yard areas. The project enabled us to reduce our energy and carbon emissions, by saving approximately 2.2 million kWh per year for the facility, translating into savings of \$250,000 per year in operating expenses. The lighting also contributed to enhancing the safety of our operations by improving the lighting quality for our employees.

LEFT: New LED lighting at Toronto Maintenance Centre.

PHOTO: LAWRENCE KERR PHOTOGRAPHY

## IN FOCUS



# FUEL CONSERVATION PRACTICES THROUGH TRAIN HANDLING BEHAVIOURS

Our Wi-Tronix technologies have also been instrumental in helping us improve rail fuel efficiency and reduce our environmental impacts. Through personalized energy management scorecards informed by our Wi-Tronix telemetry system, our Locomotive Engineers gain a much better appreciation for their fuel efficiency performance and the opportunities for improvement.

*“Fuel conservation practices on our trains are helping reduce our carbon footprint. Training our Locomotive Engineers in simulated environments and empowering them through personalized energy management scorecards is driving performance on fuel efficiency.”*

**JONATHAN COOKE**  
Instructor, Learning and Development

Over the past year, we continued to make improvements on how we train and coach our Locomotive Engineers (LEs) on innovative fuel efficiency practices.

**Performance Measurement:** Our innovative telemetry Wi-Tronix system is enabling us to compile data and monitor progress through the LE Energy Management Scorecards. Through on-the-job instruction, we coach our LEs on ways to reduce train idling and improve fuel efficiency.

**Simulator Training:** In support of our fuel efficiency improvement objectives, last year we enhanced our apprentice LE simulator training program. By adding a new feature to the simulator, we can now train our apprentice LEs on how to better operate locomotives for lower fuel consumption.

**Train Cycling:** We significantly increased capacity on our trains where we experienced the highest demand on our network. By better cycling our trains, we increased the number of available seat miles by 5.3% when compared to 2016.

-30%

reduction in fuel intensity  
since 2005

## Environmental Award

We received the Railway Association of Canada's Environmental Award in recognition of our fuel efficiency strategy





# CONTRIBUTING TO THE CIRCULAR ECONOMY

*“Embracing circular economy principles in our procurement process enables us to not only reduce our environmental footprint, but also reduce our costs and improve operational efficiencies. Working in partnership with rail suppliers, we will be exploring opportunities to improve our eco-efficiency.”*

**TRACY POWER**  
Director, Procurement

## IMPROVING OUR PROCUREMENT PROCESSES

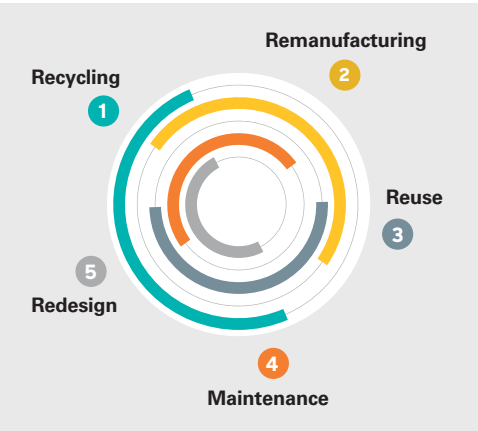
Participating in the circular economy is an important part of how we plan to achieve our landfill waste diversion target of 10% by 2020 and our long-term goal to embed zero-waste concepts in our business.

As a rail transportation company, we see many opportunities to contribute to the circular economy by reducing materials at source, engaging suppliers on eco-design options, elongating material life-cycles through reuse, repair and remanufacturing, and working with our partners to recover and recycle materials at the end of their life.

In 2017, we embarked on a project to formalize the integration of circular economy principles into our procurement processes, including when defining our technical requirements, selection criteria and contracting language.

At the end of last year, we were pleased to have successfully negotiated innovative waste contracts with four new waste suppliers across Canada, which incentivized

## CIRCULAR ECONOMY



Ensuring the value of products, materials and resources are maintained in the economy for as long as possible.

them to support us in achieving our waste reduction and diversion targets.

In the coming year, we will be working on our fleet renewal project Request for Proposal in the Québec City-Windsor corridor, where we plan to influence eco-design options.

## EXPLORING ECO-DESIGN OPTIONS IN OUR FLEET RENEWAL PROJECT

As our train fleet naturally approaches the end of its life, our cars and locomotives will be replaced with a newer, more efficient alternative. Through our market sounding processes, we have been exploring more sustainable features, including the use of hybrid engines, renewable fuels, fuel efficient propulsion technologies, 30 year locomotive lifespan, and better waste recycling receptacles on board. We are also exploring testing requirement to ensure the cars are acclimatized for extreme weather events.



## EXTENDING THE LIFE OF LUBRICANTS THROUGH CONDITION-BASED MAINTENANCE

Through condition-based maintenance, we proactively analyze the engine oil parameters to help determine oil condition and engine health on a regular basis. As a result of the program, oil change intervals were reduced from every 2,000 hours to completely replacing scheduled oil changes with oil analysis, to determine when a change is necessary. This enables us to save \$900,000 in capital and operating costs annually by reducing the number of needed overhauls to our diesel generator sets, and avoiding more than 47,000 litres per year of wasted engine oil that would have resulted from our previous scheduled maintenance program.

## PARTNERING WITHIN THE COMMUNITY TO RE-USE EMPLOYEE UNIFORMS

Every year, we partner with recognized organizations across the country who collect our old employee uniforms and find alternative uses for them.

Many of these organizations – including Renaissance, Goodwill Industries Dartmouth, Goodwill London and Waterloo, and TransContinental Textiles – have both an environmental and social purpose. Their mission is to employ people who have had difficulties in life and provide them with opportunities to reintegrate themselves back into their local workforce.

## OPTIMIZING MATERIAL USE AND IMPROVING RECYCLING

An important part of our waste prevention strategy is to continue to systematically analyze our operations to optimize material use.

To optimize and extend the life of our rail equipment, components and supplies, we have started to experiment with condition-based maintenance. With our previous scheduled maintenance program, we ended up discarding the product when it may have still had life. The move to a more proactive approach enables us to predict and correct failures before they become problems, reduce unnecessary waste, extend product lifecycles and significantly reduce our costs.

In 2017, condition-based maintenance testing included engine oil analysis, battery conditions, ultrasonic tests, thermal cameras and other electric parameters.

When materials naturally reach the end of their life, we partner with various reuse, refurbishment and recycling organizations. For example, in 2017, we continued to work with Green Standards – an organization



Our highly visible waste recycling receptacles in the Ottawa Station are helping us divert waste from landfills.

that specializes in managing the redistribution of corporate interior assets through resale, recycling and donations.

We also partnered with recognized organizations to repurpose our used uniforms to give them a second life. By diverting millions of tons of reusable goods from landfills annually, these organizations significantly help the environment and create social benefits for the people who work form them.



# PROMOTING THE ENVIRONMENTAL BENEFITS OF PASSENGER RAIL

**PROVIDING A CLEANER  
AND MORE SUSTAINABLE  
TRAVEL OPTION**

261,357

tonnes of CO<sub>2</sub>e of carbon  
avoided by VIA Rail trains in 2017  
when compared to car travel

4X

less energy used on average  
by trains when compared to  
road transport<sup>2)</sup>

As one of the most environmentally-friendly inter-city transportation modes, we believe passenger rail is an important part of the environmental solution for Canada. It provides a cleaner, more accessible and affordable alternative to cars, while supporting the necessary shift needed to reduce the transportation sector's contribution to deteriorating air quality, smog, congestion and climate change.

**Lowers Greenhouse Emissions:**

The transport sector in Canada accounts for 23% of Canada's GHG emissions, of which 51% comes from passenger road transport and a mere 0.07% comes from VIA Rail's passenger rail service. When compared to taking the car, passenger rail generates 66% less GHG emissions per passenger-kilometre.<sup>1)</sup>

**Reduces Toxic Pollutants and Smog:**

Criteria air contaminants from rail transport are much lower than road transport. Many of these toxic pollutants – including carbon monoxide, volatile organic compounds, nitrous oxides, sulphur dioxides and



Our President and CEO, Yves Desjardins-Siciliano, speaking at the *Forum des mobilités durable* in Paris discussing the role passenger rail plays in limiting climate change in Canada.

particulate matter – are big contributors to the deteriorating air quality and smog we are seeing in our towns and cities.

**Promotes Efficient and Cleaner Energy Use:**

When compared to road transport, railways uses on average more than 4 times less energy.<sup>2)</sup> Furthermore, technological advancements in rail are significantly improving fuel efficiency and options for renewable energy sources.

1) Based on the findings of the study "Comparison of Passenger Rail Energy Consumption with Competing Modes" (2015)

2) Based on the findings of the "Transportation in Canada 2016 - Addendum 2016", which compares road transport and urban transit with railways energy consumption.



**WHY DON'T YOU TAKE THE TRAIN?  
ADVERTISING CAMPAIGN**

To encourage Canadians to change their habits, leave their cars at home and take the train, we have been implementing our "Why Don't You Take the Train" marketing campaign. In August 2017, we launched a variety of new advertising messages emphasizing the train as the smarter way to travel on digital billboards along highways in Montréal, Toronto and Ottawa. The messages were triggered when there was heavy congestion and traffic.





# BEING AN ATTRACTIVE EMPLOYER

## EMPOWERING THE WORKFORCE OF THE FUTURE



**LINDA BERGERON**  
Chief Human Resources Officer

Our 2,899 employees are the foundation of our success. It is their customer-focused dedication, and their motivation and talent that have made us resilient and flexible in the face of change.

As we transform our business for the next phase of VIA Rail's future, we are empowered by our strong set of values, a culture based on performance, and our focus on talent and development. It is these attributes that underpin our ambitions leading up to 2025 to be a personalized, connected, collaborative and responsible organization.

Guided by our core values – innovation, know-how, trust, agility, accountability and integrity – this year we began a gradual, transformation of our people strategy.

We focused our efforts on ensuring leaders exude effective management capabilities as well as enhancing the work environment so that all employees feel supported and empowered.

In 2017, we completed more than 129,000 hours of training for our people, and were proud to see our first group of future leaders graduate from the two year VIA Rail Leadership School Program.

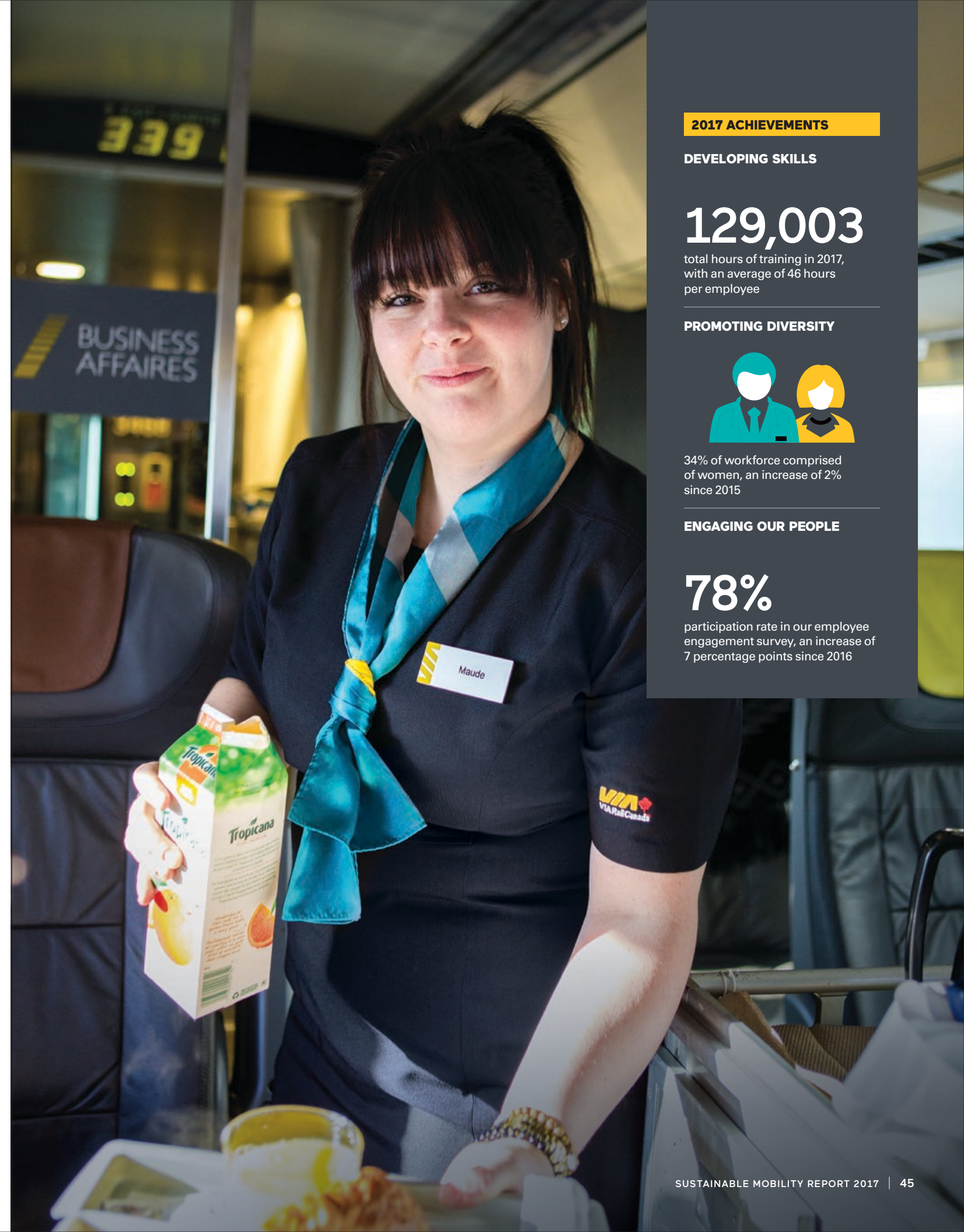
In addition to increasing gender diversity and encouraging more military veterans to join our workforce, we embarked on the

Progressive Aboriginal Relations (PAR) certification process to solidify our approach to integrating Indigenous communities into all facets of our business.

Employee dedication and commitment to our business was a highlight. This year, 16 outstanding employees across Canada were recognized through our Distinction Awards. There were 215 peer-nominated employees up for the awards, an increase of 162% compared to 2016. We also had a 78% participation rate on our employee engagement survey.

These are all encouraging signs that we are heading in the right direction as an attractive employer.

### CREATING POSITIVE IMPACTS: WHERE IT CONNECTS



### 2017 ACHIEVEMENTS

#### DEVELOPING SKILLS

# 129,003

total hours of training in 2017,  
with an average of 46 hours  
per employee

#### PROMOTING DIVERSITY



34% of workforce comprised  
of women, an increase of 2%  
since 2015

#### ENGAGING OUR PEOPLE

# 78%

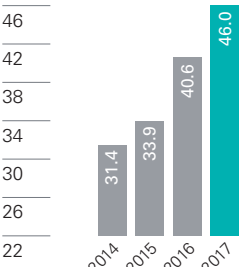
participation rate in our employee  
engagement survey, an increase of  
7 percentage points since 2016



# DEVELOPING TALENT TO SHAPE OUR FUTURE

INCREASING  
KNOWLEDGE THROUGH  
TRAINING PROGRAMS

AVERAGE HOURS OF  
TRAINING PER EMPLOYEE



46 hours

training per employee to ensure our people develop their skills and capabilities, and are empowered to be successful. This represents an increase of 48% since 2014.

As we build our future workforce, we are focused on attracting and developing the best talent.

Last year, we continued to strengthen relationships with recruitment organizations to ensure we access the best talent pool. We also took advantage of our best ambassadors – our employees – by introducing a new employee referral program to help us find candidates for specialized positions. At the end of 2017, we successfully hired and on boarded 545 talented people.

We have a structured approach to training and development, enabling our people to continuously grow and develop their management and technical skills.

Our management level training is focused on developing future leaders with the capabilities to create an environment where people feel supported, valued and empowered to be successful. In 2017, 74 participants completed the two year VIA Rail Leadership School Program.

We also continued to offer technical skills training focused on customer-centric service, equipment maintenance, and locomotive engineering. Where possible, we use succession training so that we harness the knowledge of our experienced employees and ensure it is being passed down.

In 2017, we restructured our Mechanics and Maintenance Apprenticeship program and integrated our more experienced employees to participate as instructors. We also selected our talented Customer Experience employees to train onboard employees, station workers and VIA Customer Centre employees.

Our apprenticeship training programs have been a great success. In 2017, we awarded 11 apprenticeships prizes for outstanding work during the four year apprenticeship program. Many of the participants are now working as rail car technicians, diesel mechanics, refrigeration mechanics, electricians or technicians for rail cars and diesel engines.



PROVIDING SUCCESSION TRAINING  
THROUGH OUR APPRENTICESHIP PROGRAM

Our Mechanics and Maintenance Apprenticeship Training Program helps develop the skills required for various technical trades. The program provides succession training through mentorships with our experienced employees. The apprenticeship program is well established at our Montreal Maintenance Centre, and was recently implemented in Toronto and Vancouver.

LEFT: Recent graduates of the Apprenticeship Program.

VIEWPOINT



## TRAINING OUR LEADERS FOR THE FUTURE



*“To drive forward our 2025 ambitions, we are linking the day-to-day activities of our people to our strategic goals and purpose. The Leadership School is an important part of building the capabilities needed to deliver on our aspirations.”*

FRANCE TOULOUSE  
Director, Centre of Expertise

As we transform our business towards our 2025 ambitions, our Leadership School is accelerating the growth of our future leaders in alignment with our vision and purpose.

Last year, we were proud to graduate our first group from the Leadership School Program, which we launched in 2016.

The program provided our future leaders with a broader knowledge of our business, helping them develop new management reflexes, and giving them the tools to truly engage and empower their people.

We also strengthened the training modules of our Leadership School to include our 2025 strategic orientations – personalized, connected, collaborative and responsible – which resulted from planning sessions and workshops with more than 70 executives, directors and managers.

Our participants in the Leadership School Program, became even more knowledgeable about the common goals we are focusing on to transform ourselves into a high-performance, customer-focused and agile organization.

Upon completion of the program, we received positive feedback from the participants, and our overall employee engagement scores for managers increased by 17% since 2015.

VIA RAIL LEADERSHIP SCHOOL OUTPUTS

74

trainees, including directors, senior managers, managers and supervisors

8,910

hours of training over the course of 82 sessions

4.5/5

average satisfaction score



RIGHT: VIA Rail's management in a strategic planning session that led to the creation of our 2025 ambitions.



# PROMOTING DIVERSITY AND INCLUSION

## SETTING OUR SIGHTS ON CONTINUOUSLY IMPROVING GENDER DIVERSITY

### GENDER DIVERSITY

Men 66.2%  
Women 33.8%



We aim to actively embrace gender diversity. In 2017, we made progress leading conversations within Canadian society and will be setting new ambitions to continuously improve.

## ACTING ON GENDER EQUALITY AND AWARENESS

We are committed to playing our part in attracting and developing a diverse workforce that reflects the attitudes and needs of the communities where we operate. For us, a diverse and inclusive workforce is essential to achieving our 2025 ambitions. We aim to actively embrace diversity and empower people to challenge each other to be more innovative and deliver results.

To support our efforts, last year, we formalized our Diversity Action Plan and our senior management set annual diversity targets in alignment with our diversity commitments. Our employee-led regional diversity and inclusion committees play an important role in promoting behaviours consistent with our values and help us break down unconscious bias.

Our commitment to gender diversity is an important part of our Diversity Plan. Today, women account for 40% of our executive team, 31% of our management positions, and 34% of our non-management positions.



Sonia Corriveau, VIA Rail's Chief Business Transformation Officer was on a panel with Harjit Singh Sajjan, Minister of National Defence, about how women can make a difference in male dominated sectors.

To increase the number of women in management positions, we have started to lead conversations to empower meaningful change.

In addition to promoting inclusivity and equality within our business, our senior management is also leading the conversation on gender equality and female leadership within Canadian society.

## LEADING CONVERSATIONS TO IMPROVE WOMEN'S ADVANCEMENT

In 2017, our Chief Human Resources Officer, Linda Bergeron, led a series of workshops with female management employees in Montreal, Halifax, and Toronto. The workshops provided a forum to discuss the challenges of taking on a management role as a woman and to exchange ideas on how best to improve the engagement of women in management positions.

LEFT: Female managers participating in dialogue with our Chief Human Resources Officer in Montréal.



## PARTNERING TO IMPROVE REPRESENTATION OF INDIGENOUS COMMUNITIES

Progressive  
Aboriginal  
RELATIONS

COMMITTED

Canadian Council for  
Aboriginal Business



We are committed to enhancing our relationship with Canada's Indigenous communities. In 2017, we began work to attain the base level of the CCAB Progressive Aboriginal Relations Certificate. This is more than just a designation – it's a commitment that requires a high level of collaboration between our departments. To be

considered for certification, we must demonstrate: leadership actions, equitable employment programs, business development with Aboriginal-owned businesses, and establishing and maintaining positive community relations.

LEFT: Linda Bergeron, Chief Human Resources Officer with JP Gladu, President and CEO of CCAB.

*"CCAB is excited and honoured to welcome VIA Rail into our business family. The national role VIA Rail plays in connecting all Canadians is essential for promoting our mutual business interests. We look forward to working together in the months and years ahead."*

**JP GLADU**  
President and CEO of  
The Canadian Council for  
Aboriginal Business

## INCREASING REPRESENTATION OF VETERANS AND INDIGENOUS PEOPLE

As part of our goal to be an inclusive and accessible employer, we are doing our part to increase under-represented groups in our workforce, including people with disabilities, visible minorities, Indigenous Groups and military veterans.

We continue to maintain our long and proud tradition of supporting military and veteran community members to make the transition to civilian life. In addition to sharing our values, the military provides skills and competencies that are highly transferable to our organization. In 2017, we increased our efforts to encourage more veterans to join our staff. Today, we have 50 military members in our workforce, and the number is growing.

We also worked together to implement our new leave policy allowing employees who are in the Reserves to continue their military training or participate in temporary missions during military operations in Canada and abroad. In 2017, we were honoured to receive two Canadian Forces Liaison Council awards – the Canadian Armed Forces' Most Supportive Employer in Canada Award and the Award of



VIA Rail was named Canadian Armed Forces' Most Supportive Employer in Canada.

Excellence for Best Practice in Employer Support of Canada's Reserve Forces.

We are the first-ever federal Crown Corporation and main passenger rail transport company to receive these awards.

As part of our commitment to inclusive growth, in 2017, we entered into a partnership with the Canadian Council for Aboriginal Business, enabling us to work together to forge closer ties and facilitate increased representation of Indigenous Peoples in our workforce.



# ENGAGING AND RECOGNIZING OUR PEOPLE



## RECOGNIZING EMPLOYEES WHO GO ABOVE AND BEYOND

Every year, we recognize the incredible achievements of our people through our Distinction Awards.

In 2017, we received 215 peer nominees – an increase of 162% since 2016. From those, 16 outstanding employees were proud recipients of our award in the categories: Five-Star Service, Maintenance Excellence, Success Story, and Team Spirit.

To be relevant in a fast paced and ever-changing business environment, we are taking the necessary steps to ensure we engage our people in the success of our business, while recognizing and rewarding their achievements.

On a regular basis, we proactively engage with our unions on matters of mutual interest in a spirit of collaboration. Specifically, we partner with UNIFOR, who represents our employees working in stations, customer service centres, maintenance centres and administrative centres; and, Teamsters Canada Rail Conference (TCRC), who represents our Locomotive Engineers.

In 2017, we were pleased to successfully renew our agreement with the TCRC for another five years in advance of its expiration date. It was a real accomplishment for us and a testament of the value of having a collaborative partnership approach with the unions.

We also engage directly with our employees to encourage creative thinking through our Distinction Awards, Client Innovation



Yves Desjardins-Siciliano, President and CEO, and Martin R. Landry, Chief Commercial Officer, with Zachary Wells (centre), Senior Service Attendant, winner of the Five-Star Service Award for Central Canada.

Challenge, and Centres of Excellence at our maintenance sites.

These Centres of Excellence provide a forum for employees to submit ideas on how to improve their day-to-day work processes and solve problems through leadership and teamwork.

## DELIVERING POSITIVE EMPLOYEE ENGAGEMENT RESULTS

The latest trends in our employee engagement survey have been positive, giving us a pulse on how we are doing as an organization. We learned that our people are committed and have great pride in working for VIA Rail. We used the result to inform our continuous improvement plans for 2018.



78%

participation rate, an increase of 7 percentage points since 2016



62%

engagement score, an increase of 5 percentage points when compared to 2016



+6%

increase in trust index score since 2015, indicating confidence in follow-up actions



72%

would not hesitate to recommend VIA Rail as a great place to work

## IN FOCUS

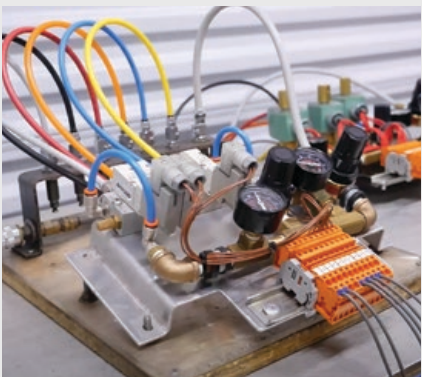


## EMPOWERING OUR PEOPLE TO BE THEIR BEST

As we build the workforce of the future, our focus is on empowering our people to come up with the best and brightest ideas to support our transformation into a high-performance, customer-focused organization. Through our Client Innovation Challenge and our Centre of Excellence, we are engaging our employees to find innovative solutions to improve our business.

**Client Innovation Challenge:** Every year, we recognize the value of our employees' ideas and experiences to improve customer service. In 2017, we recognized Justin Sutherland, Chef on board *The Canadian*, who shed light on the challenges faced when cooking and serving food to dozens of passengers. His idea for a new onboard kitchen renovation hit the mark, and the new designs are expected to improve efficiency and working conditions while preventing potential injuries on board our trains.

**Centre of Excellence:** At our maintenance centres, we are empowering our employees to work together to find innovative solutions to enhance their working environments to solve day-to-day problems. Through our Centre of Excellence, we have brought together more than 500 bright ideas from our employees since 2016 – 91% of the ideas have been completed or are currently in progress.



**RIGHT: 1/** Justin Sutherland recognized through the Client Innovation Challenge for his onboard kitchen renovation idea. **2/** Employees working together on day-to-day improvements in the work environment. **3/** Mathieu Brunet, Electrician, developed a new valve assembly system making onboard toilets quieter, less expensive and easier to troubleshoot.



# MANAGING OUR BUSINESS RESPONSIBLY

## ADHERING TO THE HIGHEST STANDARDS



**SONIA CORRIVEAU**  
Chief Business  
Transformation Officer

Good governance and ethical conduct, transparent communications and proactive stakeholder engagement are core tenets of our responsible management business philosophy.

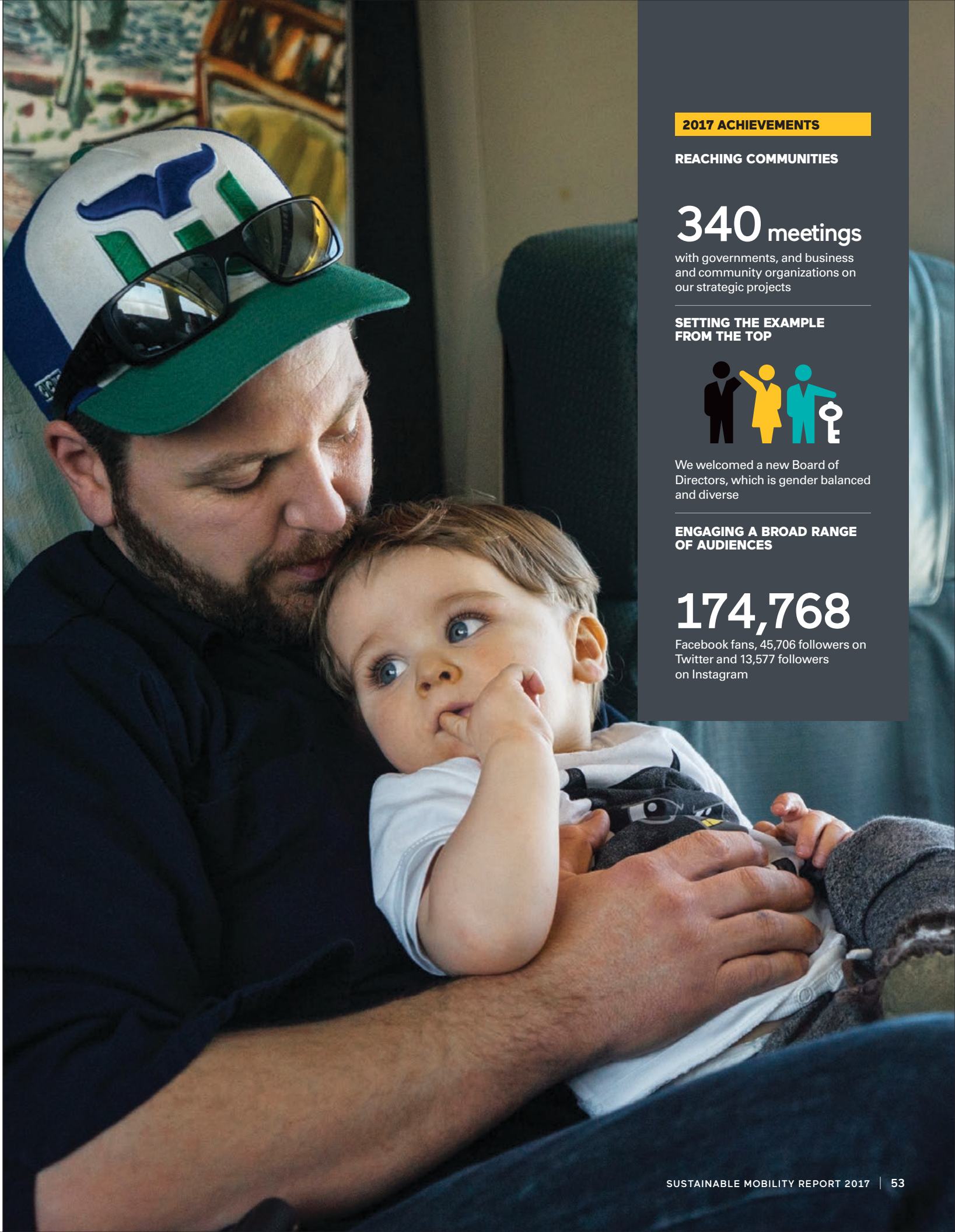
As a Crown Corporation, we ensure the right accountability, risk management and controls are in place to successfully advance the transformation of our business through our strategic plan leading up to the year 2025. As we embark on our roadmap for the future, we will be focusing on becoming even more efficient, with an uncompromising risk discipline.

The strength of our business positions us well to respond to strategic opportunities as they emerge to transform VIA Rail into high performing, customer-focused, leading sustainable transportation company. Our clear systems of accountability, values of fairness and integrity, and proactive engagement are important drivers of our social license to do business.

From a governance perspective, in 2017, many new members were appointed to our Board of Directors by the Government, as previous members' mandates were complete. The new Chairperson and Board introduced a new Board Committee to increase our oversight of major projects and ensure risks are managed and our reputation is protected at all times.

Our communication strategy, under the leadership of our new Chief of Communications, was updated and we made important progress through our advertising campaigns that promote VIA Rail as the smarter travel option. In 2017, we gained local, national and international recognition for our travel campaigns, and engaged even more Canadians using various social media channels.

Through our consultations, we are confident of our capabilities to realize the full potential of our proposed high frequency and fleet renewal projects. In 2017, we participated at 340 meetings with governments, and business and community organizations on our strategic projects.



### 2017 ACHIEVEMENTS

#### REACHING COMMUNITIES

**340** meetings

with governments, and business and community organizations on our strategic projects

#### SETTING THE EXAMPLE FROM THE TOP



We welcomed a new Board of Directors, which is gender balanced and diverse

#### ENGAGING A BROAD RANGE OF AUDIENCES

**174,768**

Facebook fans, 45,706 followers on Twitter and 13,577 followers on Instagram

### CREATING POSITIVE IMPACTS: WHERE IT CONNECTS





# UPHOLDING GOOD GOVERNANCE AND ETHICAL CONDUCT



## STRENGTHENING OVERSIGHT ON MAJOR PROJECTS THROUGH A NEW BOARD SUB-COMMITTEE

In 2017, our updated Board established the Major Projects Committee.

The Committee provides oversight on our major projects to ensure appropriate due diligence is conducted, risks assessed and mitigated and our reputation protected, while ensuring projects are managed in scope, on time and on budget.

We have a strong culture of compliance and a mindset of acting with integrity in everything we do. We adhere to the Federal Accountability Act, and have a strict Code of Ethics which all management, unionized employees and third parties acting on our behalf are required to sign to ensure their ongoing compliance.

Good governance is a guiding principle that underpins our license to do business. Our Board of Directors – appointed by the Governor-in-Council on the recommendation of the Minister of Transport – is responsible for overseeing the strategic direction and management of our business and reporting on our operations to the Canadian federal government.

In 2017, we welcomed eight new Board of Directors members, who possess a strong mix and balance of skills, knowledge and experience to support the achievement of our vision and strategic objectives.

Today, our high caliber and diverse Board is composed of 11 members, including the Chairperson and 10 independent non-executive Directors. We are pleased to report that more than 50% of the Board members are women.

All new Directors receive a comprehensive induction into our business, including on social, environmental and ethical topics. The Board also regularly discusses our 2020 sustainable mobility plan and the progress we are making on matters of strategic importance, including health, safety, security, environment, accessibility, and stakeholder engagement.

Today, four committees assist the Board in its oversight: the Audit and Pension Investment Committee, the Major Projects Committee, the Human Resources Committee and the Communication and Stakeholders' Relations Committee.



## WELCOMING A SKILLED, GENDER-BALANCED AND DIVERSE NEW BOARD OF DIRECTORS

In 2017, we welcomed a new Board of Directors composed of 11 members, of which eight are new Directors. Through the new Director selections, we were pleased to have maintained a high caliber, gender balanced and diverse composition of members – we have 6 female members, and representation from visible minorities and the Indigenous community.

LEFT: VIA Rail's Board of Directors with Yves Desjardins-Siciliano, President and CEO of VIA Rail, and Honourable Bill Fraser, Minister of Transportation and Infrastructure in Moncton, NB.

## VIEWPOINT



# COMMUNICATING OPENLY AND TRANSPARENTLY



*"Our commitment to providing clear, transparent, and accurate information is at the core of how we ensure responsible communications and marketing. Through openness and transparency, we are communicating with impact to a broad range of audiences on VIA Rail's business transformation and future growth."*

ANN BOUTHILLIER  
Chief Communications Officer

We believe in being open and transparent in the communications we provide to the public about our company, our services and how we do business. When requested, we take the necessary steps to ensure relevant information is made readily available to our audiences in a timely and responsible manner.

Last year, we continued to strengthen the impact of our communications to position VIA Rail as the smarter more sustainable way to travel.

**Corporate Communications:** Our corporate disclosures, including annual reports, speeches and projects are made available through our website, webcasts and formal meetings. Our Annual Public Meeting held in May 2017 can be watched online on the VIA Rail YouTube channel, which includes our 2016 results and 2017 First Quarter results as well as updates on the top 10 question topics we received.

**Social Media:** We also communicate directly with the public through other media channels, including our blog, Facebook, Twitter and Instagram accounts. At the end of 2017, we had 174,768 fans on Facebook, 45,706 followers on Twitter, and 13,577 followers on Instagram.

**Advertising Campaigns:** We continued to gain traction on our advertising campaigns. In 2017, we won three prizes at the Prix Média d'Infopresse. Our "Winter Way to Travel" campaign won both Best Use of Digital Media and Best Use of Data and Research, while the "Why Don't You Take the Train" campaign won in the Best Use of Billboards prize. The "Winter Way to Travel" campaign was also recognized internationally at the Festival of Global Media in Rome where it won silver in the Best Use of Geo-Location category.

RIGHT: 1/ VIA Rail's YouTube channel includes the 2017 Annual General Meeting where Yves Desjardins-Siciliano answers the top 10 topics derived from over 700 questions received. 2/ Our "Why Don't You Take the Train?" marketing campaign, challenges people to pause and re-evaluate their travel habits.





# COLLABORATING WITH OUR STAKEHOLDERS

*“By working together and collaborating with our stakeholders we are enriching our understanding of the issues and building strong relationships. This past year, we responded to various requests and received manifestations of support for many of our strategic projects.”*

**JACQUES FAUTEUX**  
Director of Government and  
Community Relations

Through our Government and Community Relations team we have developed a stakeholder engagement strategy to promote dialogue on issues of public interest that are relevant to our business and to the interests of the communities where we operate.

In 2017, we increased dialogue with many of the communities we serve in a spirit of transparency, cooperation and good faith. We had more than 340 formal meetings with various levels of government, business communities as well as non-governmental organizations on a broad range of issues.

**High Frequency Rail and Fleet**

**Renewal Projects:** We responded to requests from numerous organizations, including the Eastern Ontario Wardens’ Caucus, the Eastern Ontario Major’s Caucus, along with the Chambers of Commerce of Drummondville, Trois-Rivières, Québec City, Peterborough and Ottawa regarding the High Frequency Rail project and our fleet renewal project.

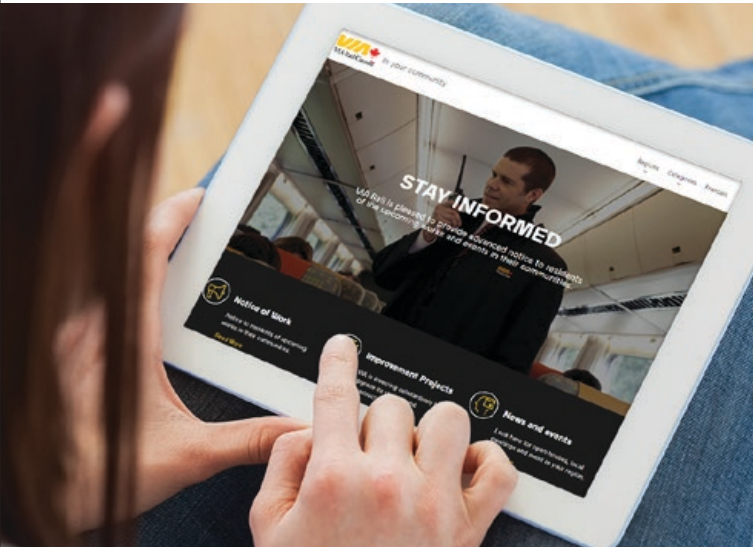
**Sustainable Transportation:** To support missions of organizations that are dedicated to sustainable transportation, we contributed to the Canadian Urban Transit Association’s Transit Awareness Day, the inauguration of the new organization *Trajectoire Québec* and a summit hosted by the *Association québécoise des transport*.

**Military and Veterans:** We continued to increase our efforts to support Canada’s Military members’ transition to a civilian life through the Military Employment Transition Program. Other partnerships include: the Royal Canadian Legion’s national Poppy Campaign, True Patriot Love, Wounded Warriors Canada, Canadian Forces Morale and Welfare Services, and the Canadian Army Run.

We also continued to engage proactively with communities within close proximity to our rails to discuss and address issues on upcoming maintenance and construction activities on our infrastructure.

**PROVIDING TIMELY AND RELEVANT  
INFORMATION TO OUR COMMUNITIES**

In order to provide more timely and relevant information, we launched a new community webpage and have developed a tool to post updates on the site in a more dynamic and user-friendly way. Using geo-spatial technology, users can now locate their community on a map and identify pertinent information of interest. You can visit our community webpage at [community.viarail.ca](http://community.viarail.ca).



**ABOVE:**  
Our President and CEO, Yves Desjardins-Siciliano, and David Flannigan, Dominion President of the Royal Canadian Legion launch the VIA Rail Poppy Campaign and pay tribute to Canadian Veterans.



# MEASURING PERFORMANCE

## DATA SUMMARY TABLE

GRI / VIA RAIL INDICATOR		2017	2016	2015
CUSTOMER				
VIA Rail	Passengers (in thousands)	4,392	3,974	3,818
VIA Rail	Passenger miles (in millions)	953	858	822
102-43/45	Customer satisfaction (Net Promoter Score)	50	49	39
VIA Rail	On-time performance (%)	73%	73%	71%
VIA Rail	Passengers taking advantage of fare discounted packages (in thousands)	452	393	n/a
VIA Rail	Inter-modality passengers (in thousands)	115	95	77
SOCIO-ECONOMIC				
201-1	In-kind trip donations (\$)	2,423,222	1,416,849	1,502,042
203-2	Total suppliers supported	2,818	2,562	2,500
203-2	Local Canadian suppliers supported (%)	94%	93%	94%
203-2	Supplier expenses for purchased services, materials and fuel (\$ millions)	364	334	315
SAFETY				
403-2	Train incident ratio per million train-miles <sup>a) b)</sup>	0.6	1.4	2.4
403-2	Crossing incidents	9	7	9
403-2	Trespassing incidents	17	16	11
403-2	Accidents per 200,000 hours worked (frequency)	6.1	6.3	6.5
403-2	Days lost per 200,000 hours worked (severity)	95.0	118.6	129.3
403-2	Lost-time incidents	158	153	151
404-1	Safety training hours	42,865	42,652	33,681
ENVIRONMENT				
VIA Rail	Total GHG emissions (scope 1 and 2) (tCO <sub>2</sub> e) <sup>c)</sup>	138,437	136,293	134,652
305-1	Total direct GHG emissions (scope 1) (tCO <sub>2</sub> e) <sup>c)</sup>	136,510	132,961	132,212
305-1	Rail locomotives (tCO <sub>2</sub> e)	126,533	124,683	125,616
305-1	Maintenance centers and stations (tCO <sub>2</sub> e)	9,615	7,786	6,597
305-1	Road vehicles (tCO <sub>2</sub> e)	362	491	n/a
305-2	Total indirect energy consumed – electricity (scope 2) (tCO <sub>2</sub> e) <sup>c)</sup>	1,928	3,332	2,439
VIA Rail	GHG emissions avoided by VIA Rail trains compared to car travel (tCO <sub>2</sub> e) <sup>d)</sup>	261,357	235,155	223,956
VIA Rail	% reduction in GHG emissions since 1990 <sup>e)</sup>	40%	41%	41%
VIA Rail	% reduction in GHG emissions intensity since 2009 <sup>e)</sup>	34%	30%	26%
VIA Rail	% reduction in GHG emissions since 2005 <sup>e)</sup>	30%	28%	29%
305-4	Kilograms CO <sub>2</sub> e per passenger-kilometre <sup>e)</sup>	0.082	0.090	0.095
GRI sector	Litres of fuel per passenger-kilometre <sup>e)</sup>	0.030	0.031	0.031
VIA Rail	% reduction in fuel intensity since 2005 <sup>e)</sup>	30%	26%	25%
305-7	Total criteria air contaminants (CAC) (Kilotonnes) <sup>f)</sup>	3.28	3.16	3.12
305-7	Nitrous oxides (kilotonnes)	2.11	2.03	2.01
305-7	Sulphur dioxides (kilotonnes)	0.001	0.001	0.001
305-7	Particulate matter (kilotonnes)	0.043	0.042	0.041
305-7	Hydrocarbons (kilotonnes)	0.82	0.79	0.78
305-7	Carbon monoxide (kilotonnes)	0.30	0.29	0.29
VIA Rail	CAC intensity (tonnes/thousand passenger-kilometre)	0.0021	0.0023	0.0024
VIA Rail	% reduction in CAC intensity since 2009	24%	27%	28%

GRI / VIA RAIL INDICATOR		2017	2016	2015
EMPLOYEES				
102-7	Number of active employees at the end of the calendar year	2,899	2,731	2,577
405-1	Number of active male employees	1,913	1,865	1,701
405-1	% of active male employees	66%	68%	66%
405-1	Number of active female employees	986	866	876
405-1	% of active female employees	34%	32%	34%
102-41	Unionized employees (%)	81%	81%	81%
401-1	New hires	545	566	393
VIA Rail	New hires from Canadian Armed Forces	22	25	5
401-1	Employee turnover rate (%)	11%	10%	11%
VIA Rail	Attendance rate (%)	94%	95%	93%
405-1	Number of active Indigenous employees	54	52	n/a
405-1	% of active Indigenous employees	2%	2%	n/a
405-1	Number of active visible minority employees	350	278	n/a
405-1	% of active visible minority employees	11%	10%	n/a
405-1	Number of active people with disabilities employees	67	49	n/a
405-1	% of active people with disabilities employees	2%	2%	n/a
405-1	Number of active veteran employees	50	38	n/a
405-1	% of active veteran employees	2%	1%	n/a
405-1	Age group over 50 (%)	35%	39%	43%
405-1	Age group between 30-50 (%)	50%	44%	42%
405-1	Age group below 30 (%)	15%	17%	15%
404-1	Total hours of training	129,003	106,893	70,911
404-1	Health and safety training	42,865	42,652	33,681
404-1	Customer service training	42,072	31,283	20,540
404-1	Equipment training	17,838	11,008	8,464
404-1	Employee support training	n/a	9,743	1,311
404-1	Management training	5,346	8,861	2,188
404-1	Specific skills and professional development	17,816	1,706	2,771
404-1	General training programs	n/a	1,640	1,956
404-1	Number of employees who received training	2,800	2,630	2,091
404-1	Average hours of training per employee	46.0	40.6	33.9
GOVERNANCE				
102-22	Board directors	12	10	11
102-22	Non-executive directors	10	9	10
102-22	Female board directors (%)	50%	50%	50%

a) Includes rail yard collisions, mainline collisions, derailments with at least one wheel off the track, exceeding limits of authority violations, speeding infractions; excludes crossing accidents and trespassing.

b) Our 2015 incident ratio was restated due to a change in methodology.

c) GHG emissions relates to scope 1 emissions from rail locomotives, road vehicles, and natural gas consumption from maintenance centres and stations and scope 2 emissions from electricity and steam consumption from maintenance centres and stations. It includes CO<sub>2</sub>, CH<sub>4</sub> and N<sub>2</sub>O. We applied a base year of 2009 when measuring our progress towards the International Union of Railways objective. We applied a base year of 2005 when measuring progress towards VIA Rail’s GHG reduction target. We use the GHG protocol for our reporting standard, and apply the emission factors from Environment Canada’s National Inventory 2015. GHG emissions for 2016 have been restated since the last report to include most up to date GHG calculation.

d) Based on the study “Comparison of Passenger Rail Energy Consumption with Competing Modes” (2015) for door-to-door direct activity.

e) Does not include emissions from road vehicles, maintenance centres or stations. Data from 2016 has been restated since last report to include most up-to-date GHG calculation.

f) Emission factors for criteria air contaminants (CAC) are based on the “2015 Locomotive Emissions Monitoring Report,” page 25, table 8, total passenger for diesel locomotives (g/L). Please note that the CAC data has bee revised from last year to report VIA Rail’s specific CAC emissions. Last year, we reported the total CACs for Canada.



# ALIGNING TO INTERNATIONAL STANDARDS

## GRI INDEX

In compiling the content for our 2017 Sustainable Mobility Report, we were guided by the reporting principles set out in the Global Reporting Initiative (GRI) Standards Reporting Framework, using the Core option. The following GRI index presents the GRI standard disclosures covered in our report and other resources available on our website.

### GENERAL STANDARD DISCLOSURES

GRI DISCLOSURE		SECTION / LOCATION	PAGE / SOURCE
GRI 101: FOUNDATION 2016		Does not include any disclosures.	
GRI 102: GENERAL DISCLOSURES 2016			
ORGANIZATIONAL PROFILE			
102-1	Name of the organization	About this Report	64
102-2	Activities, brands, products, and services	VIA Rail At-a-Glance	4
102-3	Location of headquarters	Corporate Offices	Back Cover Page
102-4	Location of operations	VIA Rail At-a-Glance	4
102-5	Ownership and legal form	VIA Rail At-a-Glance	4
102-6	Markets served	VIA Rail At-a-Glance	4
102-7	Scale of the organization	VIA Rail At-a-Glance, Data Summary Table	4, 58-59
102-8	Information on employees and other workers	Being an Attractive Employer, Data Summary Table	44, 59
102-9	Supply chain	Supporting Socio-Economic Development	22*
102-12	External initiatives	Sustainable Mobility at VIA Rail, Supporting Socio-Economic Development, Operating Safely and Securely, Being an Attractive Employer, Managing Our Business Responsibly	8, 26-27, 28, 33, 49, 56*
102-13	Membership of associations	About this Report	64*
STRATEGY			
102-14	Statement from senior decision-maker	In Conversation with the President	2
102-15	Key impacts, risks, and opportunities	In Conversation with the President	2*
ETHICS AND INTEGRITY			
102-16	Mechanisms for reporting concerns about unethical or unlawful behaviour	<a href="http://www.viarail.ca/sites/all/files/media/pdfs/About_VIA/Code_ethics_complete_EN.pdf">www.viarail.ca/sites/all/files/media/pdfs/About_VIA/Code_ethics_complete_EN.pdf</a>	Code of Ethics VIA Rail Canada
102-17	Mechanisms for advice and concerns about ethics	<a href="http://www.viarail.ca/sites/all/files/media/pdfs/About_VIA/Code_ethics_complete_EN.pdf">www.viarail.ca/sites/all/files/media/pdfs/About_VIA/Code_ethics_complete_EN.pdf</a>	Code of Ethics VIA Rail Canada

\* Partially reported

GRI DISCLOSURE		SECTION / LOCATION	PAGE / SOURCE
GOVERNANCE			
102-18	Governance structure	Ensuring Performance	11
102-19	Delegating authority	Ensuring Performance	11
102-20	Executive-level responsibility for economic, environmental, and social topics	Ensuring Performance	11
102-21	Consulting stakeholders on economic, environmental, and social topics	Managing Our Business Responsibly, About this Report	47, 64*
102-22	Composition of the highest governance body and its committees	Managing Our Business Responsibly	54*
102-23	Chair of the highest governance body	Managing Our Business Responsibly	54
102-24	Nominating and selecting the highest governance body	Managing Our Business Responsibly	54
102-30	Effectiveness of risk management processes	Sustainable Mobility at VIA Rail, Ensuring Performance, Managing Our Business Responsibly	8, 10, 52*
102-31	Communicating critical concerns to the highest governance body	<a href="http://www.viarail.ca/sites/all/files/media/pdfs/sustainable_mobility_report_2015.pdf">www.viarail.ca/sites/all/files/media/pdfs/sustainable_mobility_report_2015.pdf</a>	Code of Ethics VIA Rail Canada
STAKEHOLDER ENGAGEMENT			
102-40	List of stakeholder groups	Managing Our Business Responsibly	56
102-41	Collective bargaining agreements	Data Summary Table	59
102-43	Approach to stakeholder engagement	About this Report	64
102-44	Key topics and concerns raised	Sustainable Mobility at VIA Rail, Ensuring Performance	8, 10*
REPORTING PRACTICE			
102-45	Entities included in the consolidated financial statements	VIA Rail At-a-Glance	4
102-46	Defining report content and topic boundaries	Sustainable Mobility at VIA Rail, Ensuring Performance, About this Report	8, 10, 64
102-47	List of material topics	Sustainable Mobility at VIA Rail	8
102-50	Reporting period	About this Report	64
102-51	Date of most recent report	About this Report	64
102-52	Reporting cycle	About this Report	64
102-53	Contact point for questions regarding the report	About this Report	64
102-54	Claims of reporting in accordance with the GRI Standards	GRI Index	60
102-55	GRI content index	GRI Index	60
102-56	External assurance	About this Report	64



MATERIAL TOPICS

GRI DISCLOSURE		SECTION / LOCATION	PAGE / SOURCE
GRI 103: MANAGEMENT APPROACH 2016			
103-1	Explanation of the material topic and its boundary	Sustainable Mobility at VIA Rail, Ensuring Performance	8, 10
103-2	The management approach and its components	Sustainable Mobility at VIA Rail, Ensuring Performance	8, 10
GRI 200: ECONOMIC STANDARD SERIES 2016			
ECONOMIC PERFORMANCE			
103	Management approach	Supporting Socio-Economic Development	22
203-1	Infrastructure investments and services supported	Supporting Socio-Economic Development	22-24
203-2	Significant indirect economic impacts	Supporting Socio-Economic Development, Data Summary Table	22-24, 58-59
204-1	Proportion of spending on local suppliers	Supporting Socio-Economic Development, Data Summary Table	58
INDIRECT ECONOMIC IMPACT			
103	Management approach	Supporting Socio-Economic Development	22
203-1	Infrastructure investments and services supported	Supporting Socio-Economic Development	22-24
203-2	Significant indirect economic impacts	Supporting Socio-Economic Development, Data Summary Table	22-24, 58-59
204-1	Proportion of spending on local suppliers	Supporting Socio-Economic Development, Data Summary Table	58
GRI 300: ENVIRONMENTAL STANDARD SERIES 2016			
ENERGY			
103	Management approach	Reducing Our Impact on the Environment	36
302-3	Energy intensity	Reducing Our Impact on the Environment, Data Summary Table	38-39, 58
302-4	Reduction of energy consumption	Reducing Our Impact on the Environment, Data Summary Table	38-39, 58
302-5	Reductions in energy requirements of products and services	Reducing Our Impact on the Environment, Data Summary Table	38-39, 58
EMISSIONS			
103	Management approach	Reducing Our Impact on the Environment	36
305-1	Direct Greenhouse Gas (GHG) Emissions (Scope 1)	Reducing Our Impact on the Environment, Data Summary Table	38-39, 58
305-2	Energy indirect greenhouse gas (GHG) emissions (scope 2)	Reducing Our Impact on the Environment, Data Summary Table	38-39, 58
305-4	Greenhouse gas (GHG) emissions intensity	Reducing Our Impact on the Environment, Data Summary Table	38-39, 58
305-5	Reduction of greenhouse gas (GHG) emissions	Reducing Our Impact on the Environment, Data Summary Table	38-39, 58
305-7	Criteria air contaminants (nitrous oxides, sulphur dioxides, particulate matter, hydro carbons, and carbon monoxide)	Data Summary Table	58
SUPPLIER ENVIRONMENTAL ASSESSMENT			
103	Management approach	Reducing our Impact on the Environment	40
308-2	Negative environmental impacts in the supply chain and actions taken	Reducing Our Impact on the Environment	40

GRI DISCLOSURE		SECTION / LOCATION	PAGE / SOURCE
GRI 400: SOCIAL STANDARD SERIES 2016			
EMPLOYMENT			
103	Management approach	Being an Attractive Employer	44-46
401-1	New employee hires and employee turnover	Being an Attractive Employer, Data Summary Table	46, 59
OCCUPATIONAL HEALTH AND SAFETY			
103	Management approach	Operating Safely and Securely	28-30
403-1	Formal joint management – worker health and safety committees	<a href="http://www.viarail.ca/sites/all/files/media/pdfs/sustainable_mobility_report_2015.pdf">www.viarail.ca/sites/all/files/media/pdfs/sustainable_mobility_report_2015.pdf</a>	2015 Sustainable Mobility Report, p. 26
403-2	Types of injury and rates of injury, occupational diseases, lost days, and absenteeism, and number of work-related fatalities	Data Summary Table	58
403-3	Workers with high incidence or high risk of diseases related to their occupation	Operating Safely and Securely	30-32
TRAINING AND EDUCATION			
103	Management approach	Being an Attractive Employer	46-47
404-1	Average hours of training per year per employee	Being an Attractive Employer, Data Summary Table	46, 59
404-2	Programs for upgrading employee skills and transition assistance programs	Being an Attractive Employer	46-47
DIVERSITY AND EQUAL OPPORTUNITY			
103	Management approach	Being an Attractive Employer	48-49
405-1	Diversity of governance bodies and employees	Being an Attractive Employer, Managing Our Business Responsibly, Data Summary Table	48-49, 54, 59
LOCAL COMMUNITIES			
103	Management approach	Supporting Socio-Economic Development	22, 25-27
413-2	Operations with significant actual and potential negative impacts on local communities	Supporting Socio-Economic Development	22, 25-27



# COMMUNICATING OUR PROGRESS

## ABOUT THIS REPORT

We are committed to ensuring our communication on sustainable mobility is transparent, credible and engaging for all our stakeholders. Aligning our approach to reporting with international standards is an important part of how we ensure the information we provide is relevant to a broad audience.



### YOUR FEEDBACK IS IMPORTANT TO US

We want you to be part of our sustainable mobility journey as we strive to improve our performance and reporting process. Engaging with our stakeholders is an important part of how we can determine if the information we are communicating is relevant.

We would like to invite you to send your comments, suggestions or questions on this report to:

Corporate Communications  
VIA Rail Canada  
3 Place Ville Marie, Suite 500  
Montréal, Québec  
H3B 2C9

[sustainablemobility@viarail.ca](mailto:sustainablemobility@viarail.ca)

### REPORTING SCOPE

The 2017 Sustainable Mobility Report is our third formal standalone report where we communicate our commitment, programs and performance related to sustainability. The report covers quantitative data from our operations across Canada for the 2017 calendar year, unless otherwise stated.

The report reflects VIA Rail’s vision, objectives and performance with respect to six sustainability pillars that we believe are important to our business and our stakeholders: customer experience, socio-economic development, safety, environment, our employees, and responsible management.

Our intention is to issue a sustainable mobility report on an annual basis.

### ALIGNMENT WITH INTERNATIONAL STANDARDS

We have aligned the contents of this report with the Global Reporting Initiative (GRI) Standards and its Transportation and Logistics Sector Supplement. Our GRI Index provides references to information sources on how our corporate disclosures align with the GRI requirements.

While we did not conduct an extensive materiality assessment, an internal stakeholder engagement exercise was undertaken to identify the priorities of greatest impact to our business and to society at large.

As we mature in our reporting, we expect to further strengthen our materiality assessment process to focus our reporting priorities and identify areas of improvement.

Also, as a member of the International Union of Railways, we are committed to ensuring that we use our Sustainable Mobility Report to actively communicate VIA Rail’s climate-friendly initiatives to raise awareness, acceptance and recognition of the role of transport as part of the solution to climate change, and report data on our energy consumption and carbon emissions.

### THIRD PARTY ASSURANCE

The data provided in this report has not been third party verified. Over the next few years, we will be focusing on strengthening our data management systems.

We will be considering third party assurance in future years to add to the credibility of our communication.

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