SUSTAINABLE MOBILITY REPORT 2017
WORKING TOGETHER TOWARDS A SUSTAINABLE FUTURE
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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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SUSTAINABLE MOBILITY REPORT 2017
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, less crowded, with more seamless integration of sustainable modes of travel – including pedestrian access, bike racks and access to the light rail train project.

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 Quebec 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.

CUTTING POSITIVE IMPACTS THROUGH THE SDGs

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 by 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.

SUSTAINABLE MOBILITY REPORT 2017
WHERE WE OPERATE

77% of passenger revenues are from inter-city travel (in the Corridor)

95% of passenger trips consist of inter-city travel (in the Corridor)

Inter-City Travel

Long-Distance

Regional

77%

PASSENGER REVENUES PER TRAIN ROUTE

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

95%

PASSENGER TRIPS PER TRAIN ROUTE

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

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.

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 on 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.

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.

COMMUNITIES SERVED

400+

served across Canada

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

FREQUENCY

514 per week

of which 89% of our trains depart on time

PASSENGERS

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

2,899

Active employees as of the end of the calendar year

34%

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

FLEET

428

Train cars (in and out of service)

73

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

BUILDINGS

121

Train stations

1 head office, 6 regional

121

of which 54 are heritage stations

MAINTENANCE CENTRES

4

state-of-the-art facilities

OFFICES

7

state-of-the-art facilities

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.
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.

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 2000, a difference of 52,965 tonnes
SHAPING OUR FUTURE
SUSTAINABLE MOBILITY AT VIA RAIL

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.

Enabling more sustainable travel options by ensuring a reliable, affordable, and accessible service for our customers that enables them to experience Canada in a unique way.

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.

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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.

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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

“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 sustainable 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

Passengers first. We continuously strive to offer them a smarter and safer travel experience across Canada.
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** | **2017 ACHIEVEMENTS** | **2020 OBJECTIVES**
---|---|---
**ACCESSIBILITY AND AFFORDABILITY** | Increased capacity on our trains, and worked with the UFC on a pilot to address passenger visibility impairments | Make services affordable, increase rail access and frequency, and implement our multi-year accessibility plan

**QUALITY SERVICE** | Strengthened our Customer Centres, and improved travel comfort and onboard entertainment | Integrate sustainable mobility into the customer experience, including surveys, product offerings, and travel options

**INTER-MODALITY PARTNERSHIPS** | Increased passenger volume from inter-modality by 97% since 2012 | Increase partnerships to foster inter-modality and integrate sustainability into the sales strategy

**SUSTAINABLE MOBILITY HUBS** | Revamped Ottawa Station which includes sustainable mobility design elements | Formalize and implement sustainable mobility design criteria for new and existing stations

**FISCAL RESPONSIBILITY** | Improved our financial performance, grew efficiency, and invested in state of good repair | Integrate sustainable mobility into departmental and individual objectives

**VALUE FOR MONEY** | Focused our capital investments on safety and compliance, growth and efficiency | Integrate sustainability criteria into investment decisions and measure impacts of strategic investments

**COMMUNITY INVESTMENT** | Supported 1,510 community organizations with in-kind trip donations amounting to $2,423,222 | Enhance our community strategy to align with the sustainable mobility objectives and measure impacts

**RAILWAY SAFETY MANAGEMENT** | Instituted a risk preventive safety culture and reduced train incidents by 77% since 2014 | Ensure the effective implementation of our SMS and measure our safety culture

**OCCUPATIONAL HEALTH & SAFETY (OH&S)** | Reduced our OH&S accident frequency rate per 200,000 hours by 36% since 2011 | Reduce our year-over-year injury rate

**SECURITY STRATEGY** | Updated and enhanced security systems at key stations | Strengthen security at all our stations

**PUBLIC OUTREACH** | Reduced crossing accidents by 36% since 2014 | Continue to reach communities on VIA Rail’s safety initiatives to promote railway safety near railroads

**REDUCING OUR IMPACT ON THE ENVIRONMENT**

- **CLIMATE CHANGE MITIGATION AND ADAPTATION** | Reduced our GHG emissions by 30% when compared to 2005, surpassing our 2020 objective of 20% | Reduce our GHG emissions by 20% by 2020 and 30% by 2030, when compared to 2005

- **CRITERIA AIR CONTAMINANTS (CAC)** | Improved our fuel conservation and train idling practices, and achieved a 24% reduction since 2009 | Reduce our total CACs by 20% based on 2009

- **WASTE MANAGEMENT** | Selected new waste contractors, which will help us improve our waste minimization and diversion rates | Contribute to the circular economy and divert a minimum of 10% of our waste from landfills

**SUSTAINABLE PROCUREMENT**

- **ENVIROMENTAL BENEFITS OF RAIL** | Promoted the environmental benefits of rail through speeches, marketing campaigns, and social media | Promote VIA Rail as the smarter, greener travel choice at schools, businesses and government organizations

**ATTRACT PEOPLE**

- **DIVERSITY AND INCLUSION** | Maintained a gender-balanced Board of Directors and continued improving the representation of designated groups in our workforce | Increase gender diversity to 30% in management positions and develop an Indigenous People strategy

- **HEALTH AND WELL-BEING** | Initiated the VIAWELL Ambassador program nationally to increase awareness on mental health at all levels | Implement five new initiatives related to the National Standards on Psychological Health in the Workplace Program

**BEING AN ATTRACTIVE EMPLOYER**

- **TALENT DEVELOPMENT** | Graduated the first group from the VIA Rail Leadership School, which included 8,910 hours of training for our people | Develop skills and competencies relating to our sustainable mobility objectives

- **EMPLOYEE ENGAGEMENT** | Achieved a 62% engagement score in our engagement survey | Drive for an engagement score of 65% or greater

- **INNOVATION AND CREATIVITY** | Implemented a Centre of Excellence in the Montreal Maintenance Centre to encourage our employees to find innovative solutions | Embed an innovation culture across the organization

**MANAGING OUR BUSINESS RESPONSIBLY**

- **ETHICAL CONDUCT AND RISK MANAGEMENT** | Continued to reinforce our commitments on ethics and integrity | Integrate sustainability considerations into the Code of Ethics and risk management framework

- **TRANSPARENCY AND COMMUNICATION** | Engaged 340 communities and community leaders across Canada | Implement a stakeholder / community engagement strategy and framework
PROVIDING THE BEST CUSTOMER EXPERIENCE

PUTTING THE PASSENGER FIRST

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.

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ENHANCING QUALITY SERVICE

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.

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 oversized 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.

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

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 Quebec 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 (UIUC) 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.

PROVIDING THE BEST CUSTOMER EXPERIENCE

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.

MAKING TRAVEL EASY, ENJOYABLE AND ACCESSIBLE FOR OUR PASSENGERS

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.

VIEWPOINT

“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

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

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PARTNERING WITH INTER-MODAL CONNECTION PROVIDERS SPURS RIDERSHIP

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 intermodality 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.
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.
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.

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 Quebec 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.
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 Quebec by providing in-kind travel credits to the Young Quebecers Leading the Way conference in Ottawa. Participants discussed Canadian identity, social, environmental, and economical questions, and the role of Canada in the world.

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 Quebec 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 Montreal International and Quebec International.

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

SUPPORTING COMMUNITY DEVELOPMENT

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 Quebec 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.

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.
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.
EMBEDDING A
PREVENTIVE SAFETY CULTURE

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.

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 Montreal headquarters, we planned a whole week of activities including a lunch and learn about ergonomics and a presentation from UNIFOR about mental health.

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.

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

We purchased a train simulator to replicate the in-cab work environment for our F42 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.

LEADING THE CONVERSATION
ON MENTAL 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.

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-CLAUDIE LAPORTE
Senior Advisor, Disability Management and Wellness

“At VIA Rail, we are proud to participate in the Preventive Safety Culture theme at the UNIFOR about mental health.

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ENSURING RAILWAY SAFETY AND SECURITY

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 our people, 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 andëriff 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.

PRIORITYING 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.
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 (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 manuals and binders. The tablets help reduce the risk of a common injury due to the weight of the manuals and binders, allowing for real-time manual updates and facilitating communication with the LEs.

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 manuals and binders. Our 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

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.

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.

In Focus

Using Technologies and Predictive Maintenance to Ensure Safety and Reliability

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.

Monitoring the Condition of our Track with Industry-Leading Technologies

In addition, we developed new maintenance inspection schedules to proactively monitor changes in key performance indicators, ensuring we receive early warning signals for potential failures.

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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.
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.
**IMPROVING ENERGY EFFICIENCY AND CLIMATE RESILIENCE**

**DRIVING YEAR OVER YEAR FUEL EFFICIENCY IMPROVEMENTS**

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.

**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.”

**IN FOCUS**

**INSTRUCTOR, LEARNING AND DEVELOPMENT**

**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.

**Environmental Award**

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

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**VIA RAIL CANADA**
CONTRIBUTING TO THE CIRCULAR ECONOMY

“Embracing circular economy principles in our procurement processes 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 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 Quebec 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.

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.

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

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 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.

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 $500,000 in capital and operating costs annually by reducing the number of needed overhauls to our diesel generator sets, and avoiding more than 42,000 litres per year of wasted engine oil that would have resulted from our previous scheduled maintenance program.
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.

**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 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 use on average more than 4 times less energy. 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.

**PROMOTING THE ENVIRONMENTAL BENEFITS OF PASSENGER RAIL**

261,357
Tonnnes of CO2e 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

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

Our President and CEO, Yves Desjardins-Siciliano, speaking at the Forum de la mobilité durable in Paris discussing the role passenger rail plays in limiting climate change in Canada.
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.
DEVELOPING TALENT TO SHAPE OUR FUTURE

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 onboarded 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. 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.

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.

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.

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

FRANCE TOULOUSE

Branded, Centre of Expertise

“...To drive forward our 2025 ambitions, we are linking the day-to-day activities of our people to our strategic goals and purpose.”

FRANCE TOULOUSE

Branded, Centre of Expertise

VIEWPOINT

TRAINING OUR LEADERS FOR THE FUTURE

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.

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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
BEING AN ATTRACTIVE EMPLOYER

PROMOTING DIVERSITY AND INCLUSION

SETTING OUR SIGHTS ON CONTINUOUSLY IMPROVING GENDER DIVERSITY

GENDER DIVERSITY

<table>
<thead>
<tr>
<th></th>
<th>Men</th>
<th>Women</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>66.2%</td>
<td>33.8%</td>
</tr>
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</table>

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

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.

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 management role as a woman and to exchange ideas on how best to improve the engagement of women in management positions.

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 Montreal.

"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

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.

PARTNERING TO IMPROVE REPRESENTATION OF INDIGENOUS COMMUNITIES

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.
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 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.

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.
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
UPHOLDING GOOD GOVERNANCE AND ETHICAL CONDUCT

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.

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.

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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.

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.

COMMUNICATING OPENLY AND TRANSPARENTLY

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.

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.

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.

RIGHT: VIA Rail’s YouTube channel includes the 2017 Annual General Meeting where Yves Desjardins-Siciliano answers the top 100 questions derived from over 700 questions received. Y/D: “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, Quebec 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 Quebec 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.
### MEASURING PERFORMANCE

#### DATA SUMMARY TABLE

<table>
<thead>
<tr>
<th>GRI / VIA RAIL INDICATOR</th>
<th>2017</th>
<th>2016</th>
<th>2015</th>
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<tbody>
<tr>
<td><strong>CUSTOMER</strong></td>
<td></td>
<td></td>
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<tr>
<td>VIA Rail</td>
<td></td>
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<tr>
<td>Passenger miles (in thousands)</td>
<td>2,423,222</td>
<td>1,416,849</td>
<td>1,502,042</td>
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<tr>
<td>VIA Rail (in millions)</td>
<td>50</td>
<td>49</td>
<td>39</td>
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<td><strong>SAFETY</strong></td>
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<td>VIA Rail</td>
<td></td>
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<tr>
<td>Train incident rate per million train-miles(a)\</td>
<td>0.6</td>
<td>1.4</td>
<td>2.4</td>
</tr>
<tr>
<td>VIA Rail</td>
<td>9</td>
<td>7</td>
<td>9</td>
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<tr>
<td><strong>ENVIRONMENT</strong></td>
<td></td>
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<tr>
<td>VIA Rail</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Total GHG emissions (scope 1 and 2) (tCO(_2))(^e)\</td>
<td>138,437</td>
<td>136,293</td>
<td>134,652</td>
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<tr>
<td>VIA Rail</td>
<td>136,510</td>
<td>132,961</td>
<td>132,212</td>
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<tr>
<td>Rail locomotives (tCO(_2))</td>
<td>126,533</td>
<td>124,683</td>
<td>125,616</td>
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<tr>
<td>VIA Rail</td>
<td>9,615</td>
<td>7,786</td>
<td>6,957</td>
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<tr>
<td>Road vehicles (tCO(_2))</td>
<td>362</td>
<td>343</td>
<td>315</td>
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<tr>
<td>Total indirect energy consumed – electricity (scope 2) (tCO(_2))(^e)\</td>
<td>1,928</td>
<td>3,332</td>
<td>2,439</td>
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<td>VIA Rail</td>
<td>261,357</td>
<td>235,195</td>
<td>223,956</td>
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<tr>
<td>VIA Rail % reduct in GHG emissions since 1990(^a)\</td>
<td>40%</td>
<td>41%</td>
<td>41%</td>
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<tr>
<td>VIA Rail % reduct in GHG emissions intensity since 2009(^b)\</td>
<td>34%</td>
<td>30%</td>
<td>26%</td>
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<tr>
<td>VIA Rail % reduct in GHG emissions since 2000(^c)\</td>
<td>30%</td>
<td>27%</td>
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<tr>
<td>VIA Rail % reduct in GHG emissions since 2005(^d)\</td>
<td>0.082</td>
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<td>VIA Rail % reduct in fuel intensity since 2005(^e)\</td>
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<td>26%</td>
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<tr>
<td>VIA Rail Nitrous oxides (kilotons)(^g)\</td>
<td>2.11</td>
<td>2.03</td>
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<td>VIA Rail Sulphur dioxides (kilotons)(^h)\</td>
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<tr>
<td>VIA Rail Particulate matter (kilotons)(^i)\</td>
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<td>0.042</td>
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<tr>
<td>VIA Rail Hydrocarbons (kilotons)(^j)\</td>
<td>0.82</td>
<td>0.79</td>
<td>0.78</td>
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<tr>
<td>VIA Rail Carbon monoxide (kilotons)(^k)\</td>
<td>0.029</td>
<td>0.029</td>
<td>0.029</td>
</tr>
<tr>
<td>VIA Rail Total criteria air contaminants (CAC) intensities (tonnes/kilometer)(^l)\</td>
<td>0.0021</td>
<td>0.0023</td>
<td>0.0024</td>
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<tr>
<td>VIA Rail % reduct in CAC intensity since 2009(^m)\</td>
<td>24%</td>
<td>27%</td>
<td>28%</td>
</tr>
</tbody>
</table>

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\(a\) Includes rail yard collisions, mainline collisions, derailments with at least one wheel off the track, exceeding limits of authority violations, speeding infractions, 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.

\(b\) Our 2015 incident rate was restated due to a change in methodology.

\(c\) VIA Rail emissions relate 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\(_2\), CH\(_4\), and N\(_2\)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 2018. VIA Rail has 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 activity.

\(e\) Does not include emissions from road vehicles, maintenance centres or stations. Data from 2018 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/km). Please note that the CAC data has been revised from last year to report VIA Rail’s specific CAC emissions. Last year, we reported the total CACs for Canada.
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.

**ALIGNING TO INTERNATIONAL STANDARDS**

**GRI INDEX**

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**GENERAL STANDARD DISCLOSURES**

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<td>Name of the organization</td>
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<td>102-2</td>
<td>Activities, brands, products, and services</td>
<td>VIA Rail At-a-Glance</td>
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<td>102-3</td>
<td>Location of headquarters</td>
<td>Corporate Offices</td>
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<td>Location of operations</td>
<td>VIA Rail At-a-Glance</td>
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<td>102-5</td>
<td>Ownership and legal form</td>
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<td>Scale of the organization</td>
<td>VIA Rail At-a-Glance, Data Summary Table</td>
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<td>External initiatives</td>
<td>Sustainable Mobility at VIA Rail, Supporting Socio-Economic Development, Operating Safely and Securely, Being an Attractive Employer, Managing Our Business Responsibility</td>
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<td>102-13</td>
<td>Membership of associations</td>
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<td>Statement from senior decision-maker</td>
<td>In Conversation with the President</td>
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<td>Key impacts, risks, and opportunities</td>
<td>In Conversation with the President</td>
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<td>102-16</td>
<td>Mechanisms for reporting concerns about unethical or unlawful behaviour</td>
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* Partially reported

**STAKEHOLDER ENGAGEMENT**

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<td>Managing Our Business Responsibility</td>
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<td>Collective bargaining agreements</td>
<td>Data Summary Table</td>
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<td>Approach to stakeholder engagement</td>
<td>About this Report</td>
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<tr>
<td>102-44</td>
<td>Key topics and concerns raised</td>
<td>Sustainable Mobility at VIA Rail, Ensuring Performance</td>
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**REPORTING PRACTICE**

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<td>Entities included in the consolidated financial statements</td>
<td>VIA Rail At-a-Glance</td>
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- **103-2** The management approach and its components: Sustainable Mobility at VIA Rail, Ensuring Performance

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- **203-2** Significant indirect economic impacts: Supporting Socio-Economic Development, Data Summary Table
- **204-1** Proportion of spending on local suppliers: Supporting Socio-Economic Development, Data Summary Table

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- **302-3** Energy intensity: Reducing Our Impact on the Environment, Data Summary Table
- **302-4** Reduction of energy consumption: Reducing Our Impact on the Environment, Data Summary Table
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- **403-1** Formal joint management – worker health and safety committees: 2016 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
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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.

COMMUNICATING OUR PROGRESS

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 on 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.