



# SUSTAINABLE MOBILITY REPORT 2016

INNOVATING MOBILITY FOR SMART,  
SUSTAINABLE AND INCLUSIVE GROWTH

2016 HIGHLIGHTS

INCREASED NUMBER OF PASSENGER TRIPS



3.97 million

total trips taken, with a 4.3% increase in ridership within the Quebec City – Windsor corridor, reaching 3.7 million trips

INCREASED INTER-MODAL RIDERSHIP



+63%

increase in passenger volume from inter-modality since 2012

INVESTMENT IN SAFETY AND EFFICIENCY



\$71.9M

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

REDUCTION IN GHG EMISSIONS



-27%

reduction in greenhouse gas emissions per passenger-kilometre since 2009 as a result of the rebuild of over 70% of our locomotive fleet

IMPROVEMENT IN LOWERING TRAIN INCIDENTS



-42%

reduction in the number of train incidents since 2015 as a result of our strengthened safety culture

INCREASED AVERAGE HOURS OF TRAINING



40.6 hours

training per employee, up 29% from 2014 as a result of investments in technical skill courses and leadership training

ABOVE: Customers at Ottawa Station – where we are implementing innovative upgrades throughout to become our first sustainable mobility hub.



# INNOVATING MOBILITY

## FOR SMART, SUSTAINABLE AND INCLUSIVE GROWTH

At VIA Rail, transforming Canada's mobility towards a sustainable and low-carbon future is an imperative that requires bold action.

Our vision is to provide smarter, inclusive and more sustainable options to move people in a safe, accessible and efficient way, while connecting communities and contributing to the de-carbonization of our transportation systems.

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# MESSAGE FROM THE PRESIDENT AND CEO

INNOVATING FOR FUTURE GROWTH

**YVES DESJARDINS-SICILIANO**  
President and Chief Executive Officer

## SUPPORTING CANADA'S FEDERAL SUSTAINABLE DEVELOPMENT STRATEGY (FSDS) 2016-2019

The FSDS centres on 13 aspirational long-term goals and is Canada's reflection of the United Nations' Global Sustainable Development Goals (SDGs), with a focus on their environmental dimensions.

Our contribution to the SDGs is through the goals that relate directly to our core business, and where we can have the most impact: climate action, sustainable cities and communities and responsible consumption and production.



## 2016 IN REVIEW

In the year since we issued our first Sustainable Mobility Report in early 2016, we have continued our journey to innovate and transform our business for future growth.

Anchored by our vision to be the smarter way to move people, we set our sights even higher this year by defining our growth strategy up to the year 2025.

To create our plan, which we call Destination 2025, we engaged our top 100 leaders and landed on four strategic orientations – personalized, connected, collaborative, and sustainable. These orientations have now become our roadmap to securing our future and positioning ourselves as a leader in the passenger transportation industry.

Our Sustainable Mobility Strategy is well aligned with our Destination 2025 orientations, and supports the Federal Government's Sustainable Development Strategy 2016-2020, which was released in October. We spent the latter part of the year defining concrete actions to deliver on our Sustainable Mobility Strategy, which included reviewing targets and responsibilities for each of the priorities.

Engagement on the plan has been strong. Our Sustainability Deployment Team – made up of our most talented and innovative-minded employees – will become the change agent that will ensure the successful implementation of our strategy.

## ACTING ON OUR GLOBAL ENVIRONMENTAL COMMITMENTS

As members of the International Union of Railways (UIC), we have made important progress on our global commitments under COP 21 to reduce our carbon footprint and support a shift towards more sustainable transportation.

Based on 1990 levels, we have reduced our energy consumption by 38% and our GHGs by 39%, positioning us well to achieve the UIC reduction targets of 40% and 50%, by 2030 and 2050, respectively.

We also continued to increase the modal share of passenger rail in Canada by promoting the environmental benefits of rail and collaborating with other passenger carriers to ensure a seamless travel experience for our customers. Since 2012, our inter-modal passengers have increased by 63%.

## DELIVERING ON OUR SUSTAINABLE MOBILITY STRATEGY

Reflecting on the past year, I take great pride in the progress being made on our strategy.

Responding to our customers' needs is easier with our new customer relationship management system and Customer Centre multi-channel contact solution. To improve the user experience, we started major station upgrades aligned with international accessibility standards. Our Ottawa Station is our flagship project, where work is underway to develop our first sustainable mobility hub.

Our railway safety management system passed its first internal audit by Transport Canada. We made significant investments of more than \$71.9 million in safety and efficiency projects and launched our security strategy, which we are deploying at key stations.

We were recognized amongst Canada's 250 Best Employers, and delivered 106,893 hours of training to our people, including through our VIA Rail Leadership School. Innovative digital tools and technologies are now improving the way we work, driving greater agility and productivity.

Thanks to these initiatives, we were pleased to see our employee engagement survey participation increase to 71% this year and overall engagement increase by 11% over two years.

## MOVING AHEAD AND LOOKING TO THE FUTURE

Ridership and revenue growth over the past year reinforce the importance of train travel for Canadians. While our operating environment remains challenging, I believe our High Frequency Rail and fleet renewal strategies are projects that would make it possible to improve our services.

As we continue working on these projects, we look forward to the prospect of running a new, more efficient fleet of trains, and being able to deliver a faster, more frequent and reliable service on our proposed dedicated track along the Québec City-Windsor corridor (otherwise known as our High Frequency Rail project). Should these projects come to fruition, they would not only improve the customer experience and increase ridership, but also relieve congestion, reduce GHGs and toxic air contaminants, and create thousands of jobs for Canadians.

As a company dedicated to serving our customers and communities, I am confident in what the future holds. I want to thank our employees for their passion and hard work.

Over the next year, we will continue to innovate and embrace change at VIA Rail in order to be stronger, leaner and more agile, and deliver on our vision to be the smarter way to move Canadians.

## 2016 RECOGNITION HIGHLIGHTS

**Increased Productivity through Innovation Award**  
The *Fédération des chambres de commerce du Québec* gave VIA Rail a Mercuriade, a prestigious Québec business award for Increased Productivity within the Large Corporate category. VIA Rail was recognized for its innovative strategy related to fuel savings from better train handling practices.

**Canada's Best Employers List**  
We were listed on Canada's 250 Best Employers by Forbes. Based on a survey of more than 8,000 Canadian workers, VIA Rail ranked #47.

**Women and Boards Award**  
Yves Desjardins-Siciliano was honoured with an award at the Women and Boards gala in the CEO category for his outstanding contributions to advancing the role of women in corporate governance at VIA Rail.

## Preparing for the Next Frontier: Destination 2025

Our strategic orientations represent what VIA Rail wants to be in 2025, and will help position us as a leader in the passenger transportation industry.

### PERSONALIZED



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

### CONNECTED



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

### COLLABORATIVE



Foster collaborative relationships that drive synergistic results

### SUSTAINABLE



Be a sustainable organization by capitalizing on advanced and modular technologies

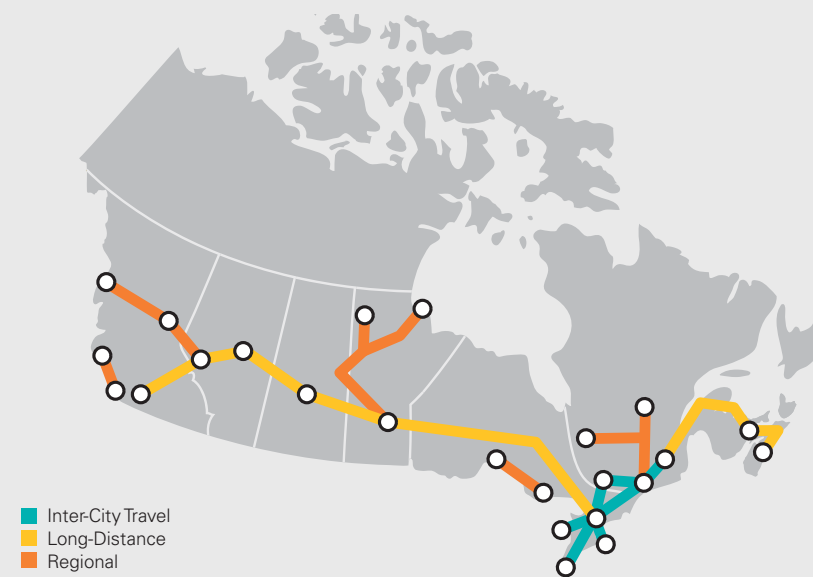
# OUR BUSINESS

## VIA RAIL AT-A-GLANCE

### WHO WE ARE

VIA Rail operates Canada's national passenger rail service on behalf of the Government of Canada. An independent Crown corporation established in 1977, VIA Rail provides a safe, cost-effective and environmentally responsible service from coast to coast in both official languages. The corporation operates close to 494 train departures weekly on a 12,500 km network, connecting over 400 Canadian communities. With approximately 2,700 active employees, VIA Rail carried 3.97 million passengers in 2016.

### WHERE WE OPERATE



#### PASSENGER REVENUES PER TRAIN ROUTE

77% Inter-City Travel  
21% Long-Distance  
2% Regional

77%

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

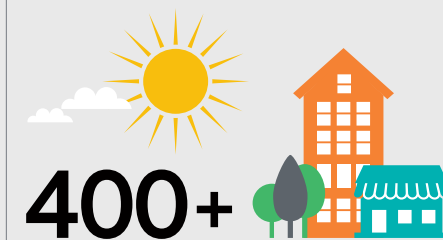
#### PASSENGER TRIPS PER TRAIN ROUTE

94% Inter-City Travel  
4% Long-Distance  
2% Regional

94%

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

#### COMMUNITIES SERVED



served across Canada

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

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

#### LONG-DISTANCE TRAVEL AND TOURISM

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

#### REGIONAL SERVICES

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

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

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

### FREQUENCY

#### TRAIN DEPARTURES

494 per week



of which 92% of our trains depart on time

### PASSENGERS

#### PASSENGER TRIPS



3.97 million

covering 1.37 billion kilometres across Canada of which: 94% is inter-city travel, 4% is long-distance and 2% is regional.

### EMPLOYEES

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

2,731



#### EMPLOYEE DIVERSITY

32%



of our employees are women, 10% are visible minorities, 2% are people with disabilities and 2% are Aboriginal People

### FLEET

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

426



#### LOCOMOTIVES

73



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

### BUILDINGS

#### TRAIN STATIONS

121



of which 54 are heritage stations

#### OFFICES

7



1 head office, 6 regional

#### MAINTENANCE CENTRES

4



state-of-the-art facilities

# PROMOTING SUSTAINABLE MOBILITY IN OUR CITIES AND COMMUNITIES

HEALTHIER, SAFER, MORE INCLUSIVE, AND CLIMATE-FRIENDLY

As we look to the future, we are optimistic at the prospect of contributing to the mobility of more sustainable cities and communities in Canada. Our High Frequency Rail project and the renewal of our train fleet are key parts of our strategy to modernize VIA Rail, and would help to meet the growing demand for safe, efficient, reliable, accessible, cost-effective and environmentally sustainable transportation in Canada.



ABOVE: VIA Rail train travelling east from Toronto toward Ottawa and Montréal, along one of our busiest routes, where we are proposing to operate on a dedicated track.

## STRATEGIC PROJECTS

### HIGH FREQUENCY RAIL AND TRAIN FLEET RENEWAL



The increase in ridership and revenue in 2016 reinforces the importance of train travel for Canadians. Our High Frequency Rail and train fleet renewal projects would allow us to further improve our services and better meet the needs of our growing number of passengers.

#### MORE EFFICIENT AND LOW-CARBON TRANSPORTATION

Our proposed hybrid electric and diesel locomotive fleet could be deployed over five years, enabling us to reduce carbon emissions and criteria air contaminants.



**-13.9 million tCO<sub>2</sub>e**  
reduction from an electrified fleet, in greenhouse gas emissions by 2050, equivalent to 3.1 million cars removed from the road for a full year



#### RELIABLE AND ACCESSIBLE SERVICES

Our dedicated track for passenger rail in the Québec-City Windsor corridor would potentially increase train frequency, speed and reliability for our customers, reducing trip times by 25%.

**2.5x**  
increase in ridership forecasted by 2030

On-time performance would improve to **over 95%**

**-1/4**  
reduction in average trip times



#### SAFE AND SECURE SERVICES

The deployment of our innovative in-house GPS train safety system and our ongoing community outreach on safety and security continues to enable safer, more secure services resulting in a 42% reduction in train incidents since 2015.

#### SEAMLESS AND AFFORDABLE TRAVEL EXPERIENCES

Our inter-modal partnerships and improved inter-operability is helping to maximise infrastructure usage and provide our customers with more sustainable modal choices at fair pricing.



**+63%**  
increase in inter-modal ridership since 2012

# SUSTAINABLE MOBILITY AT VIA RAIL

## FORMALIZING ACCOUNTABILITY FOR OUR STRATEGY

Over the past year, we've taken important steps in our approach to advancing sustainable mobility in our corporation. We set the foundation for our strategy by engaging key stakeholders on the development of a 2020 action plan, and strengthened our governance framework to assign responsibility at the Board, executive management and multi-functional levels of the organization.



*"Our sustainable mobility action plan helps us focus on the concrete actions we need to take to effectively embed sustainable mobility principles into our business. We will regularly monitor the progress we are making through our recently established sustainable mobility governance framework."*

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

### OUR SUSTAINABLE MOBILITY STRATEGY

The idea of sustainable mobility is an integral part of who we are and how we have always conducted our business. Launched in 2015, our 2020 Sustainable Mobility Strategy sets the direction for the bold action we are taking as a company to ensure we deliver on our promise to be a smarter way to move people.

For us, sustainable mobility is about contributing to a more sustainable transportation system for Canada, in a way that enables economic prosperity, improves quality of life and provides more environmentally responsible mobility options.

In 2016, we further advanced our Sustainable Mobility Strategy by collaborating with key internal stakeholders to help develop an action plan that will ensure the successful implementation of the strategy.

The action plan is based on the six pillars of Sustainable Mobility at VIA Rail, with Board oversight, executive management direction, and execution through various functions across the organization.

### OUR SUSTAINABILITY PILLARS

**Provide 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.

**Support 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.

**Operate safely and efficiently** by embedding a culture where safety is everyone's first and foremost concern.

**Reduce 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.

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

**Maintain the public trust** by ensuring transparency, accountability and integrity in everything we do, while engaging and consulting stakeholders on their viewpoints.



*"Sustainable mobility governance ensures a high level of accountability in the delivery of our strategy. In 2017, we are excited to be launching our Sustainability Deployment Team to execute the sustainable mobility action plan and track performance."*

**BRUNO RIENDEAU**  
Director, Safety and Sustainability

### GOVERNING SUSTAINABLE MOBILITY RESPONSIBLY

#### BOARD OVERSIGHT

The Governance, Risk & Strategy Committee of the Board is responsible for providing oversight on the implementation of the Sustainable Mobility Strategy, and recommending approval of the annual Sustainable Mobility Report. The Committee meets on an annual basis, and more frequently if necessary, to discuss sustainable mobility matters, including environment, safety and security.

#### EXECUTIVE MANAGEMENT

Our Management Committee, led by the Chief Executive Officer and President, Yves Desjardins-Siciliano, is accountable for providing direction on our Sustainable Mobility Strategy, which includes high level guidance on our action plan, and reviews of our policies, programs and progress. The Management Committee meets on a bi-annual basis, or more frequently if necessary, to review the Sustainable Mobility action plan and report progress to the Board.

### SUSTAINABILITY DEPLOYMENT TEAM

We have established a focused Sustainability Deployment Team with multi-functional representation to execute the Sustainable Mobility action plan, track performance and communicate progress to the Management Committee.

The Sustainability Deployment Team includes our most talented and innovative minds to act as change agents for the organization, and bring perspectives from our different business units to shape our strategy and ensure alignment with our corporate objectives. The Sustainability Deployment Team will meet on a quarterly basis to review progress on the Sustainable Mobility action plan.

### SUSTAINABLE MOBILITY GOVERNANCE FRAMEWORK



# SETTING THE RIGHT PRIORITIES

## ALIGNING TO OUR CORPORATE STRATEGY

Our vision to be a smarter way to move people underlies everything we do. Sustainable mobility is an integral part of this vision that we have carefully aligned with our mission and values, and tailored to meet our recently launched Destination 2025.



"We were proud to launch Destination 2025 – our roadmap to securing VIA Rail's future and positioning ourselves as leaders in the passenger rail industry."

**SONIA CORRIVEAU**  
Chief Business Transformation Officer

### OUR STRATEGIC DIRECTION

Over the past year, we embarked on an initiative to define the 2025 strategic direction for VIA Rail. Having already achieved most of our corporate goals for 2020, we were keen to set our sights even further towards 2025. We engaged our top 100 leaders across the organization and identified four orientations that underpin Destination 2025:

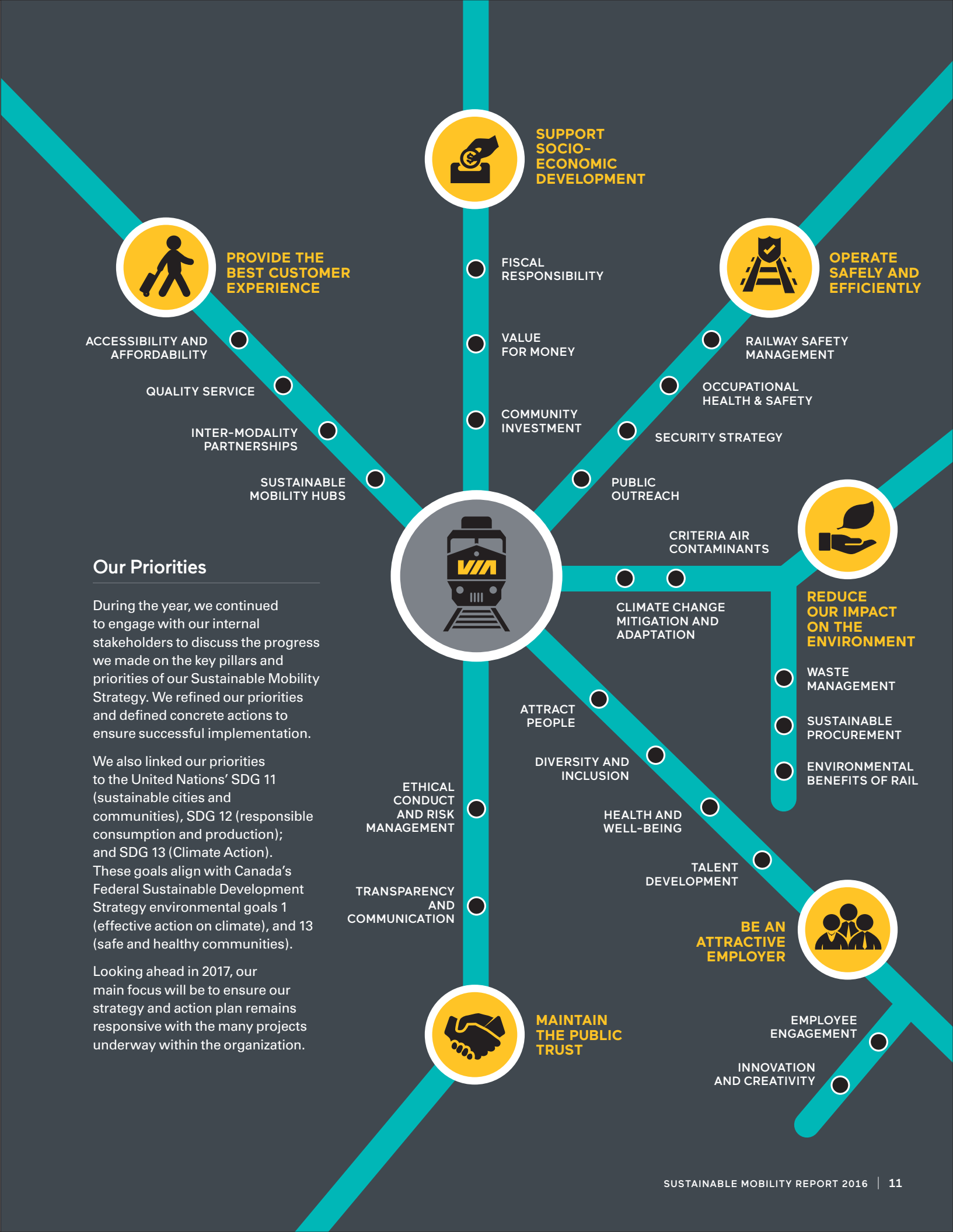
- **Personalized:** Provide our customers, employees and communities with an authentic and personalized experience.
- **Connected:** Leverage innovative solutions and ideas to connect our passengers, employees and assets.

- **Collaborative:** Foster collaborative relationships that drive synergistic results.
- **Sustainable:** Be a sustainable organization by capitalizing on advanced and modular technologies.

### EMBEDDING SUSTAINABLE MOBILITY

Our Sustainable Mobility Strategy is already well aligned to the sustainable orientations of Destination 2025. In 2017, we will be monitoring our progress against our sustainable orientation through the implementation of our Sustainable Mobility action plan.

### ALIGNING TO OUR CORPORATE STRATEGY



### Our Priorities

During the year, we continued to engage with our internal stakeholders to discuss the progress we made on the key pillars and priorities of our Sustainable Mobility Strategy. We refined our priorities and defined concrete actions to ensure successful implementation.




We also linked our priorities to the United Nations' SDG 11 (sustainable cities and communities), SDG 12 (responsible consumption and production); and SDG 13 (Climate Action). These goals align with Canada's Federal Sustainable Development Strategy environmental goals 1 (effective action on climate), and 13 (safe and healthy communities).




Looking ahead in 2017, our main focus will be to ensure our strategy and action plan remains responsive with the many projects underway within the organization.

# 2020 SUSTAINABLE MOBILITY STRATEGY

## OUR STRATEGIC ROADMAP

As we continue on our journey towards sustainable mobility, we are committed to achieving the 2020 objectives we set for ourselves. We look forward to reporting our progress in the coming years.

PILLAR	PRIORITY	2016 ACHIEVEMENTS	2020 OBJECTIVES
 <p><b>PROVIDE THE BEST CUSTOMER EXPERIENCE</b></p>	<b>ACCESSIBILITY AND AFFORDABILITY</b>	<ul style="list-style-type: none"> <li>Initiated improvements on key stations to align with international accessibility standards and continued to provide discounted packages</li> </ul>	<ul style="list-style-type: none"> <li>Make services affordable, increase rail access and frequency, and implement our multi-year accessibility plan</li> </ul>
	<b>QUALITY SERVICE</b>	<ul style="list-style-type: none"> <li>Implemented a customer relationship management system and equipped our VIA Customer Centres with a multi-channel contact centre solution</li> </ul>	<ul style="list-style-type: none"> <li>Integrate sustainable mobility into the customer experience</li> </ul>
	<b>INTER-MODALITY PARTNERSHIPS</b>	<ul style="list-style-type: none"> <li>Grew our partnerships by 56% since 2014</li> </ul>	<ul style="list-style-type: none"> <li>Increase partnerships to foster inter-modality and integrate sustainability into the sales strategy</li> </ul>
	<b>SUSTAINABLE MOBILITY HUBS</b>	<ul style="list-style-type: none"> <li>Initiated work at our Ottawa Station that will include sustainable mobility hub design elements</li> </ul>	<ul style="list-style-type: none"> <li>Formalize and implement sustainable mobility design criteria for new and existing stations</li> </ul>
 <p><b>SUPPORT SOCIO-ECONOMIC DEVELOPMENT</b></p>	<b>FISCAL RESPONSIBILITY</b>	<ul style="list-style-type: none"> <li>Initiated discussions on “pay for performance” incentive structure related to fuel efficiency savings</li> </ul>	<ul style="list-style-type: none"> <li>Integrate sustainable mobility into departmental and individual objectives</li> </ul>
	<b>VALUE FOR MONEY</b>	<ul style="list-style-type: none"> <li>Integrated sustainability criteria into the proposals for our High Frequency Rail and fleet renewal projects</li> </ul>	<ul style="list-style-type: none"> <li>Integrate sustainability criteria into investment decisions and measure impacts of strategic investments</li> </ul>
	<b>COMMUNITY INVESTMENT</b>	<ul style="list-style-type: none"> <li>Supported 1,595 community organizations with in-kind trip donations amounting to \$1,416,849</li> </ul>	<ul style="list-style-type: none"> <li>Enhance our community strategy to align with the sustainable mobility goals and measure impacts</li> </ul>
 <p><b>OPERATE SAFELY AND EFFICIENTLY</b></p>	<b>RAILWAY SAFETY MANAGEMENT</b>	<ul style="list-style-type: none"> <li>Passed our first third party audit of our SMS and reduced train incidents by 42% since 2015</li> </ul>	<ul style="list-style-type: none"> <li>Ensure the effective implementation of our SMS and measure our safety culture</li> </ul>
	<b>OCCUPATIONAL HEALTH &amp; SAFETY (OH&amp;S)</b>	<ul style="list-style-type: none"> <li>Reduced our OH&amp;S accident frequency rate per 200,000 hours by 33% since 2011</li> </ul>	<ul style="list-style-type: none"> <li>Reduce our year-over-year injury ratios</li> </ul>
	<b>SECURITY STRATEGY</b>	<ul style="list-style-type: none"> <li>Strengthened security at Ottawa Station</li> </ul>	<ul style="list-style-type: none"> <li>Strengthen security at all our stations</li> </ul>
	<b>PUBLIC OUTREACH</b>	<ul style="list-style-type: none"> <li>Reduced crossing accidents by 67% and trespassing accidents by 11% since 2010</li> </ul>	<ul style="list-style-type: none"> <li>Continue to reach communities on VIA Rail’s safety initiatives to promote railway safety near railroads</li> </ul>

PILLAR	PRIORITY	2016 ACHIEVEMENTS	2020 OBJECTIVES
 <p><b>REDUCE OUR IMPACT ON THE ENVIRONMENT</b></p>	<b>CLIMATE CHANGE MITIGATION AND ADAPTATION</b>	<ul style="list-style-type: none"> <li>Reduced our GHG emissions by 27% when compared to 2009, surpassing our 2020 objective of 20%</li> </ul>	<ul style="list-style-type: none"> <li>Reduce GHG emissions by 20% by 2020 and 30% by 2030, when compared to 2005</li> </ul>
	<b>CRITERIA AIR CONTAMINANTS (CAC)</b>	<ul style="list-style-type: none"> <li>Enhanced our CAC baseline measurements and reduced SOx by 86% since 2010</li> </ul>	<ul style="list-style-type: none"> <li>Reduce our total CACs by 20% based on 2013</li> </ul>
	<b>WASTE MANAGEMENT</b>	<ul style="list-style-type: none"> <li>Initiated the integration of our waste management strategy into the selection of new waste hauler</li> </ul>	<ul style="list-style-type: none"> <li>Contribute to the circular economy and divert a minimum of 10% of our waste from landfills</li> </ul>
	<b>SUSTAINABLE PROCUREMENT</b>	<ul style="list-style-type: none"> <li>Launched a new vendor management program</li> </ul>	<ul style="list-style-type: none"> <li>Develop and implement sustainable procurement guidelines</li> </ul>
	<b>ENVIRONMENTAL BENEFITS OF RAIL</b>	<ul style="list-style-type: none"> <li>Promoted the environmental benefits of rail through speeches, marketing campaigns, and social media</li> </ul>	<ul style="list-style-type: none"> <li>Promote VIA Rail as the smarter, greener travel choice at schools, businesses and government organizations</li> </ul>
 <p><b>BE AN ATTRACTIVE EMPLOYER</b></p>	<b>ATTRACT PEOPLE</b>	<ul style="list-style-type: none"> <li>Hired and successfully onboarded 566 new employees</li> </ul>	<ul style="list-style-type: none"> <li>Increase the internal and external talent pool</li> </ul>
	<b>DIVERSITY AND INCLUSION</b>	<ul style="list-style-type: none"> <li>Promoted awareness of diversity and inclusion through training programs and communication events</li> </ul>	<ul style="list-style-type: none"> <li>Increase gender diversity to 30% in management positions and develop an Aboriginal People strategy</li> </ul>
	<b>HEALTH AND WELL-BEING</b>	<ul style="list-style-type: none"> <li>Integrated psychological health and well-being into leadership and training programs</li> </ul>	<ul style="list-style-type: none"> <li>Implement five new initiatives related to the National Standards on Psychological Health in the Workplace Program</li> </ul>
	<b>TALENT DEVELOPMENT</b>	<ul style="list-style-type: none"> <li>Launched the VIA Rail Leadership School through which we completed 7,236 hours of training for our people</li> </ul>	<ul style="list-style-type: none"> <li>Develop skills and competencies to drive the business forward</li> </ul>
	<b>EMPLOYEE ENGAGEMENT</b>	<ul style="list-style-type: none"> <li>Achieved a 57% engagement score in our engagement survey</li> </ul>	<ul style="list-style-type: none"> <li>Strive for an engagement score of 65% or greater</li> </ul>
	<b>INNOVATION AND CREATIVITY</b>	<ul style="list-style-type: none"> <li>Recognized three employee ideas through the Client Innovation Challenge</li> </ul>	<ul style="list-style-type: none"> <li>Embed an innovation culture across the organization</li> </ul>
	<b>ETHICAL CONDUCT AND RISK MANAGEMENT</b>	<ul style="list-style-type: none"> <li>Obtained international recognition for our risk management framework</li> </ul>	<ul style="list-style-type: none"> <li>Integrate sustainability considerations into the Code of Ethics and risk management framework</li> </ul>
 <p><b>MAINTAIN THE PUBLIC TRUST</b></p>	<b>TRANSPARENCY AND COMMUNICATION</b>	<ul style="list-style-type: none"> <li>Engaged 240 communities and community leaders across Canada</li> </ul>	<ul style="list-style-type: none"> <li>Implement a stakeholder / community engagement strategy and framework</li> </ul>



# PROVIDE THE BEST CUSTOMER EXPERIENCE



ABOVE:  
Jan-Terje, VIA Préférence  
member, enjoys the  
convenience and comfort  
the train provides.

## PUTTING THE PASSENGER FIRST

Everything we do starts with our customers. This is why we are pursuing our passengers first mission to offer them a smarter and safer travel experience across Canada.

Our promise is to deliver consistently great service at every customer interaction point. This means providing excellent service quality, enabling more accessible, affordable and sustainable mobility options, and creating a seamless travel experience that leverages inter-modal partnerships along the rail network.

Providing a reliable, comfortable and convenient travel experience to our customers makes it easier for them to leave their cars at home and take the train, while reducing greenhouse gas emissions, promoting healthier active lifestyles, and enriching their experiences.



*"We are pleased that our customer-centric strategy and passengers first mission is drawing more people to our trains.*

*And our ridership has the potential to grow even more should the proposed High Frequency Rail and corridor fleet renewal programs come to fruition."*

**MARTIN R. LANDRY**  
Chief Commercial Officer

## OUR MANAGEMENT APPROACH

Over the past two years, we have made a big shift to becoming a more customer-focused organization, which is a key part of our strategic initiative to modernize VIA Rail.

To attract more people to our trains, our efforts have focused on optimizing capacity and increasing train frequency. We have also strengthened our customer interaction points to enable a more personalized and authentic travel experience, and increased comfort both within our trains and at our stations.

The results over the past year signal that our customer-centric strategy and passengers first mission is working.

More and more people are choosing to travel with us, recognizing that taking the train is not only a smarter way to travel but also a more environmentally responsible, safe and affordable travel option.

## 2016 ACHIEVEMENTS

### INCREASED TRAIN RIDERSHIP

**3.97 million**

passenger trips representing an increase of 4.3% since 2015

### PROVIDING MORE INTER-MODAL OPTIONS



56% increase in inter-modal partnerships since 2014 to provide our customers with more sustainable options

### IMPROVED ON-TIME-PERFORMANCE

**73%**

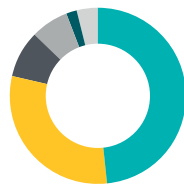
of our trains arrive at their destinations on time, up 2% in the Québec City-Windsor corridor since 2015

**PROVIDE THE BEST CUSTOMER EXPERIENCE**

**DISCOUNTED PACKAGES**

% of total discounted trips taken

Students	50%
Children	31%
Military	9%
Seniors	7%
New Canadians	2%
First Nations	4%



**10%**

of our passengers took advantage of our discounted packages, including 35,837 members of the military and veterans

**ACCESSIBILITY AND AFFORDABILITY**

Our passenger transportation service makes mobility accessible to more than 400 communities across Canada. In 2016, more than 71,000 passengers within regional and remote communities had travelled on our trains, an increase of 7.59% since 2014. We also continued to improve train schedules and added more stops at key stations in the Québec City – Windsor corridor which allowed us to serve a larger passenger base and improved our service offering in key markets.

For travellers with reduced mobility or other special needs, we are investing considerably to improve our stations. In 2016, work already began in the London, Sarnia, Ottawa and Kingston stations, which will bring us up to international accessibility standards.

Ensuring we provide affordable passenger rail services to Canadians from all walks of life is an important priority for us. In 2016, we continued to provide discounted packages to students, seniors, military, and new Canadians.

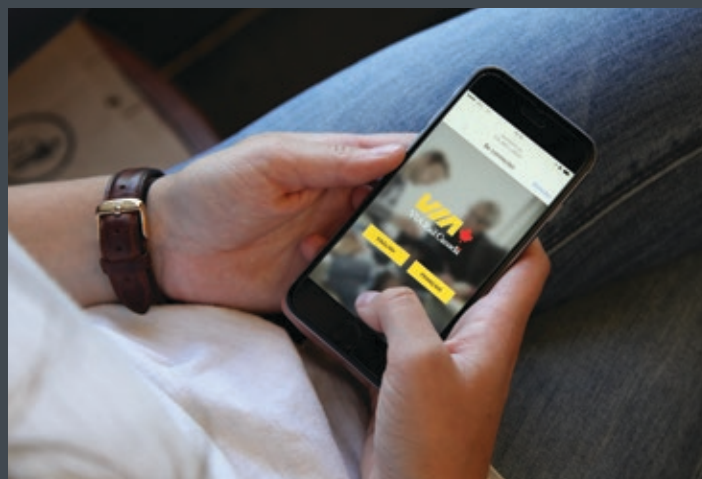
**QUALITY SERVICE**

As part of our customer-centric strategy in 2016, we focused our efforts on improving our service in the following ways:

- **Train frequency:** Increased train frequency between Ottawa and Toronto;
- **Digital innovations:** Implemented a Salesforce platform for our Customer Centre agents, customer relations management and loyalty teams;
- **Passenger information:** Created a train status tool which communicates real-time information about upcoming stops, and the train's location and current speed through the 'Train Status' section of VIA Rail's mobile app;
- **VIA Customer Centres:** Launched a new all-in-one multi-channel contact centre solution to enable customers to request an automated call back and chat with an agent online with instant answers; and
- **Travel comfort:** Made improvements to food, beverage and WiFi services on board our trains, and refurbished our LRC interiors to create inviting, comfortable cars.

**Communication Tools for Improved Customer Service**

Our new VIA Rail mobile application, launched in 2015, continues to be popular with our passengers. In 2016, more than 150,000 people downloaded our mobile application, enabling passengers to book their VIA Rail ticket online and follow their trip real time, including information about stations, boarding, train status, and even planning what to eat and watch.



**ABOVE:** Passengers aboard the *Canadian* enjoy freshly prepared meals that showcase Canadian cuisine and regional specialties.

**IN FOCUS**

**ENRICHING THE CUSTOMER EXPERIENCE**



*"Our CRM program aligns and supports our customer-centric vision to service our customers better and to engage and empower them at each step of their journey."*

**DAVID KLEIN**  
Director, Customer Relationship Management and Loyalty

**Being a customer-centric organization means knowing who our customers are and understanding their preferences and behaviours. Learning more about our passengers allows us to serve them better which, in turn, will encourage them to leave their cars at home and take the train.**

In 2016, we completed the implementation of an innovative Customer Relationship Management (CRM) program, foundational to delivering on our "Passengers First" corporate mission. Customer information is now consolidated in a single location, and shared across our Customer Centre agents, Customer Relations and the CRM and Loyalty teams.

The CRM platform will help us to establish personalized and authentic interactions at every step – physical and digital – along our customers' journeys. In 2017, we will be expanding the reach of the program by integrating with other departments that serve our customers, which will contribute to building the customer experience we aspire to provide.

**VIA RAIL'S NEW CRM PROGRAM WILL SUPPORT PERSONALIZED AND AUTHENTIC INTERACTIONS ALONG THE CUSTOMER JOURNEY**

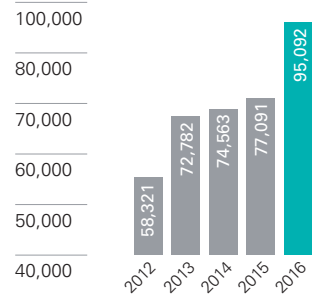


## Extending our Inter-modal Service to Provide More Sustainable Options

Our inter-modal partnerships are enabling an increase in the proportion of trips taken by walking, cycling, transit, carpooling and other cleaner transportation modes. In 2016, we created a partnership with Greyhound and welcomed them as a new roommate at our Edmonton Station. Greyhound plans to construct two bus bays and a canopy in the current parking lot, and will be working with our train schedule to keep passenger traffic fluid.



### INCREASE IN INTER-MODAL RIDERSHIP



**+63%**

increase in passenger volume from inter-modality since 2012

### INTER-MODALITY PARTNERSHIPS

An integrated transportation system that offers sustainable mobility options is essential to enhancing the attractiveness of public transport for all Canadians. Since 2011, we actively pursued partnerships with other passenger carriers including commuter trains, motor coaches, car-sharing companies, ferries, airport shuttle buses and airlines.

By connecting with other transportation mode services, schedules and ticketing, we are making travel seamless and attracting more passengers to our trains. We are also reducing car congestion, GHG emissions and criteria air contaminants, and helping to build a healthier transportation ecosystem.

As of 2016, we had 28 inter-modal partnerships, an increase of 56% since 2014. Our recent partnership with Maritime Bus is enabling passengers to book their tickets directly from our website. We also added Discounted Car Rental kiosks and cars to Belleville, Cobourg, Moncton, and Windsor stations. Discount kiosks are already in operation at Ottawa, Fallowfield, Kingston, and London stations.

### SUSTAINABLE MOBILITY HUBS

Sustainable mobility hubs enable the seamless integration of all modes of transport, create vibrant mixed use environments, provide attractive public spaces with minimal ecological footprints, and deliver the safe and efficient movement of people with high levels of pedestrian activity.

In 2016, the government announced \$34.4 million in financing to improve our stations and maintenance centres. Work was started at the London, Sarnia, Ottawa and Kingston stations, as well as the Toronto Maintenance Centre.

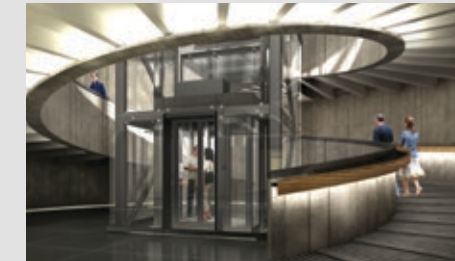
These infrastructure improvements aim to enhance the customer experience and give us an opportunity to integrate our sustainable mobility design criteria at our stations.

### IN FOCUS

## OTTAWA STATION: NEW SUSTAINABILITY HUB



As part of a strategic initiative to modernize VIA Rail, we are investing substantively to upgrade our stations into more sustainable mobility hubs. In 2016, we announced a \$20 million renovation project for Ottawa Station.



#### Seamless integration of travel modes:

Improved sustainable mobility options, including pedestrian access, bike racks, light rail train project access, and electric car plugs.

#### Higher quality user experience:

Construction of an elevated and heated passenger platform.

**Safer, secure and efficient:** Improved air vacuum systems for better air quality, increased security technology such as surveillance cameras, and the installation of an upgraded electrical system.

**Vibrant mixed-use environment:** Better amenities through partnerships with restaurants, cafés and others for more sustainable products and services.

**Minimizing ecological footprint:** Implementing green roofs, energy efficient lighting upgrades and sensors, low-flow water faucets, and the use of recycled materials.

The renovation is expected to be completed in 2017 and will bring Ottawa Station in line with our sustainable mobility hub aspirations. It will include:

**Improved accessibility:** Greater accessibility for those with restricted mobility or other special needs in line with international accessibility standards, including the installation of elevators to improve access to the tunnel and boarding platforms.



ABOVE: Artist's renderings of the renovations at Ottawa Station.

ABOVE: Ottawa Station will provide a variety of inter-modal options for customers, like VIA Préférence member Loretta Muse, to connect seamlessly to their final destination.

# SUPPORT SOCIO- ECONOMIC DEVELOPMENT



ABOVE: Winnipeg Station, which celebrated its centennial in 2011 and has been upgraded to green sustainable building standards, is one of VIA Rail's 121 stations that connect communities, provides jobs and supports local businesses.

## CONTRIBUTING TO CANADA'S PROSPERITY

As Canada's only national passenger rail carrier, we are proud of the important role we play in contributing to social and economic progress.

Today, millions of people rely on passenger rail to move safely, affordably and reliably across Canada. For smaller, regional and remote communities, where other means of transport are limited or unavailable, passenger rail is often the only alternative to using the car.

As part of our social fabric, rail enables people to access jobs, participate in the economic activities of other communities, and improves their social connections and quality of life. Today, VIA Rail connects over 400 communities along 12,500 kilometres of track, carrying passengers on 3.97 million trips, of which almost 94% were in the densely populated areas of Ontario and Québec.



*"We recognize our responsibility to be efficient and frugal with taxpayers' funds. Our focus is on growing revenues and containing costs, while contributing to socio-economic progress in Canada."*

**PATRICIA JASMIN**  
Chief Financial Officer

## OUR MANAGEMENT APPROACH

As we transform VIA Rail into a more innovative and smarter organization, we are making sure we do our part to contribute positively to social and economic progress.

Our approach is focused on efficiently managing taxpayer money and enabling benefits to society.

In 2016, we continued to advance a number of strategic initiatives to improve efficiency and increase revenue for the organization. These include significant infrastructure investments in our

maintenance centres and train stations, as well as feasibility studies for the new Corridor fleet renewal project and the High Frequency Rail (HFR) project. We have also been implementing cost-containment measures.

We also created important social benefits through job creation, supplier spend, environmental impact reduction and community contributions. Through our promotional in-kind travel credits, we support community activities, fundraisers and initiatives across the country.

## 2016 ACHIEVEMENTS

### IMPROVING FINANCIAL EFFICIENCY

# \$34M

to be allocated for efficiency improvements at our maintenance centres and train stations from 2016-2018

### FOCUSING ON STRATEGIC INVESTMENTS



Conducting economic and technical feasibility studies for fleet renewal and HFR projects

### SUPPORTING LOCAL COMMUNITIES

# \$334M

for purchased services, materials and fuel to 2,562 suppliers, of which 93% are Canadian-based companies

## 2016 Value Creation

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

### EMPLOYMENT OPPORTUNITIES



**2,731**

jobs to support the delivery of our services

### PARTNERING WITH SUPPLIERS



**2,562**

suppliers contracted for services, materials and fuel

### SUPPORTING COMMUNITIES



**\$1.4M**

in-kind travel credits donated to 1,595 community organizations

### LOWERING OUR CARBON FOOTPRINT



**235,155 tonnes CO<sub>2</sub>e**

carbon avoided by travelling on VIA Rail trains compared to travelling by car

### CONNECTING SMALLER CITIES AND TOWNS THROUGH VIA RAIL'S BLOG

We recently updated our blog to explore the smaller cities and towns as well as the "hidden gems" in larger urban areas.

By connecting small cities and towns with larger urban centres along 12,500 kilometres of track, we are enabling travellers to experience the vibrant culture, arts, sports and other activities within these communities.

The blog shares information on the lesser-known and worthwhile spots to visit in Canada, encourages ridership and promotes discovering our country.

[blog.viarail.ca](http://blog.viarail.ca)

### VALUE FOR MONEY

Greater mobility for Canadians facilitated by inter-modality and inter-operability is at the heart of economic prosperity. It enables people to access jobs, participate in the economic activities of other communities, and improves their quality of life and well-being. It also enriches the cultural experience of Canadians and foreign tourists and offers one of the safest and most environmentally sustainable transportation options that is helping to reduce greenhouse gas emissions and the negative impact of climate change on our planet.

In 2016, we carried passengers on 3.97 million trips to more than 400 communities within Canada. This includes regional and remote communities where alternative and affordable travel is limited.

Our contributions to Canada's socio-economic prosperity included the wages we pay to our 2,731 employees, the in-kind trip credits we donated to 1,595 community organizations, and the expenses we pay for the services of more than 2,500 suppliers, of which approximately 93% are Canadian-based companies.

### FISCAL RESPONSIBILITY

Over the past year, our focus has been on continuing to contain our operating deficit through better deployment of our assets, and investments to upgrade the efficiency of our stations.

We also took important steps to advance strategic projects in the Québec City-Windsor corridor. First, we started developing market sounding processes for our new corridor fleet in anticipation of funding confirmation from the Government. We put in place a consultation process to gather input from customers and employees.

Second, we continued feasibility studies regarding the building of a High Frequency Rail (HFR) corridor dedicated to passengers within the Québec City-Windsor corridor, which is necessary to make train travel faster, safer, more frequent, more accessible and more reliable.

At the end of 2016, we filed business cases with Transport Canada for both the Corridor fleet renewal program and the HFR project.

## IN FOCUS

# TRANSFORMING THE CORRIDOR: HIGH FREQUENCY RAIL



Our High Frequency Rail plan has the potential to contribute to Canada's economic development and social progress by creating a more reliable and convenient service for passengers that would reduce the number of trips made by cars and decrease GHGs.

### FORECASTED OUTCOMES<sup>1)</sup>

**2.5x**

increase in ridership by 2030

**-1/4**

reduction in average trip times

**over 95%**

on-time performance

**50,000**

person-years of employment during construction

**-13.9**

million tCO<sub>2</sub>e

carbon avoided with an electrified fleet by 2050

Potential to eliminate the operating subsidy from the Government of Canada in the future

**\$0**

### THE PROJECT

Close to 20 million people reside in the Québec City-Windsor corridor where more than 80% of inter-city trips are made by car. Since VIA Rail does not own 97% of the tracks on which it operates, we are limited in our ability to provide more train options per day at a higher frequency. This is why we are proposing to build High Frequency Rail dedicated to passenger trains in the Québec City-Windsor corridor, which would be operated at increased speeds.

### KEY BENEFITS

**Provide a faster, more reliable system that maximises ridership:** We anticipate over 95% on-time performance, versus the current 73%, shorter trip times, and up to 15 departures per day from major urban centres, compared to the current 6 per day.

**Boost economic development:** Potential to create up to 50,000 person-years of employment during construction and 334,400 permanent person-years of jobs resulting from improved economic growth over the project's lifecycle.

**Reduce our impact on the environment:** An electrified HFR would be equivalent to taking 3.1 million cars out of the Canadian car pool for a full year. It would also reduce inter-city car trips by 11%, which translates to 13.9 million tonnes of carbon dioxide equivalent reduction in carbon emissions by 2050.

**Deliver a safer, more sustainable transportation system:** HFR would help diminish congestion in and out of major urban centers and offer better inter-city service for intermediary communities. The project would also allow a re-design of frequencies that would remain in the shared-track environment to better meet the needs of passengers who live along those routes.

**Create a more profitable VIA Rail:** The HFR project would be profitable in the Québec City-Windsor corridor from its first year of operation and could eventually eliminate our overall operating deficit from all operations. We estimate the project would cost between \$3.75 and \$5.65 billion, depending on whether we use diesel or electrification to operate the fleet.

Transport Canada is currently assessing our HFR proposal.

1) The numbers reflect the use of new electric equipment operating at 110 mph on dedicated passenger tracks.

COMMUNITY SUPPORT BY THE NUMBERS

\$355,580

worth of in-kind trips to youth programs and events

23,000

trips taken by new Canadians since 2012

168,000

trips taken by the military since 2010

COMMUNITY INVESTMENT

Our community strategy includes the support of a broad range of local, regional and national charity groups and non-profit organizations through the provision of promotional in-kind travel credits. In 2016, we contributed a value of \$1,416,849 in ticket vouchers to a total of 1,595 community organizations to support community activities, fundraisers and initiatives across the country.

In addition to in-kind travel credits, we also support local communities by sourcing our onboard products from local businesses, including Canadian wines, micro-breweries, and cooperatives.

Strategically we are focused on youth, diverse communities and Canadian heritage. In 2017 we plan to enhance our community strategy to ensure it aligns more closely with our sustainable mobility pillars.

YOUTH

We are proud sponsors of initiatives that support Canada's youth – the next generation responsible for our future. Through our contributions, we encourage young Canadians to discover their country and provide them with opportunities for learning, social involvement and civic responsibility.

For example, in 2016, we partnered with 'Apathy is Boring' to support the 150 Years Young project, acknowledging and featuring millennials' diverse contributions to society. We are happy to be offering this program an environmentally friendly mode of transportation as they travel to Montréal, Ottawa, Toronto, Edmonton and Vancouver.

Over the past year, our contributions to youth programs and events amounted to up to \$355,580 in in-kind trips.

DIVERSE COMMUNITIES

We continue to support initiatives that connect and serve Canada's diverse communities, which is part of our mandate to meet the essential transportation needs of all Canadians. In 2016, we contributed approximately \$868,327 of in-kind contributions to organizations that support diverse communities.

CANADIAN HERITAGE

As an institution with a rich Canadian history, we are committed to promoting Canada's heritage by supporting organizations that are enhancing the knowledge of our country, its culture and/or its history. In 2016, we contributed approximately \$75,874 of in-kind contributions to organizations that promote Canada's official languages, partner with new Canadians, and support Canadian military and veterans.

Supporting Diversity: Pride Day 2016

We partnered with Montréal Pride to promote community and diversity. Amidst bright balloons and colourful community artists, Prime Minister Justin Trudeau kicked off the 10th annual Montréal Pride parade. Several employees from our headquarters marched in the parade alongside our train float.



RIGHT: A proud group of VIA Rail employees, including President and CEO Yves Desjardins-Siciliano (centre) and Chief Commercial Officer Martin R. Landry (far right) at Montréal Pride.



ABOVE: Bathurst, New Brunswick, on route from Montréal to Halifax, is one of the many smaller communities that VIA Rail connects.

IN FOCUS

VIA RAIL IN THE COMMUNITIES



At VIA Rail, we believe we have a role to play in building a better world for future generations, and we strive to make a real difference in the many communities where we operate, live and work.



OPENING DOORS TO COMMUNITIES

As part of a program to revitalize underused train stations throughout Canada, we recently opened the waiting room of the La Pocatière train station to the public. This heritage station is now available to the municipality for community activities and as a waiting room for our passengers.

ABOVE: Ste-Anne-de-la-Pocatière Station



WELCOMING NEW CANADIANS

We partnered with the Institute for Canadian Citizenship (ICC) and took 50 Syrian refugees on a trip to their new country's capital. VIA Rail was happy to provide transportation for the group to and from Ottawa where they experienced a full day of activities, including a visit to the Museum of Canadian History, a tour of the First Nation's exhibit and a stop at Parliament Hill. Our partnership with the ICC includes our Cultural Access Pass discounted rate for all new citizens and their families to discover Canada, which has been used by 23,000 new Canadians.

ABOVE: Syrian refugees at their arrival at Ottawa Station



SUPPORTING CANADIAN MILITARY AND VETERANS

For the third consecutive year, we partnered with the Royal Canadian Legion to offer Poppies to all passengers who travelled on board our trains over the two weeks leading up to Remembrance Day, paying tribute to those who served their country with dedication.

We continue to offer members of the Canadian Armed Forces, Veterans, their families, and National Defence civilian personnel a reduction of 25% on their ticket fare, with no restrictions on routes or dates. Since 2010, 168,000 trips have been taken through this offer by military personnel, veterans and their families on board our trains. We also developed a hiring program and web page for veterans and reservists.

LEFT: Yves Desjardins-Siciliano, President and CEO of VIA Rail, David Flannigan, Dominion President of the Royal Canadian Legion and John Fraser, Member of Provincial Parliament for Ottawa South, at the campaign launch.

# OPERATE SAFELY AND EFFICIENTLY



ABOVE: Geoff Reader, one of VIA Rail's Locomotive Engineers, whose training and expertise ensure safe passage for our customers.



*"Safety and security remains our number one priority. Our goal is to go from safe to safer by embedding a strong safety and security awareness culture through training and on-the-job coaching and mentoring."*

**MARC BEAULIEU**  
Chief Transportation and Safety Officer

## SAFETY AND SECURITY: OUR TOP PRIORITY

Fostering a strong safety culture that empowers all our employees, in every office, on every train and in every station to be safety leaders is how we drive performance across our organization.

Our goal is to go from safe to safer, to ensure that our passengers arrive safely at their destinations and that all our VIA Rail colleagues return home to their families and loved ones at the end of the day.

We continue to reinforce a strong safety culture to employees at all levels of our organization so that they understand that safety is a group effort and everyone's responsibility. Our public outreach to communities in which we operate is an integral part of our efforts to educate and increase awareness on public safety and security.

## OUR MANAGEMENT APPROACH

We are committed to ensuring our compliance to all safety and security regulations and taking a preventative risk-based approach to management.

Our safety management system and security strategy provides the framework to implement our corporate policies and to comply with 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.

Responsibility for safety and security is assigned to our Accountable Executive, the Chief Transportation and Safety Officer, who reports to the President and CEO and to the VIA Rail Board of Directors on our performance.

Ensuring the effective implementation of our management systems is an integral part of how we identify, mitigate and monitor risks, report incidents, and ensure that corrective and preventative actions are taken.

## 2016 ACHIEVEMENTS

### REDUCING ACCIDENT FREQUENCY RATES

**-33%**

reduction in accident rates per 200,000 hours worked since 2011

### STRENGTHENING SAFETY MANAGEMENT SYSTEMS



Passed our first third party audit of our SMS under the SMS Regulations

### INCREASING SAFETY TRAINING

**42,652**

hours spent on employee safety training, an increase of 21% since 2015

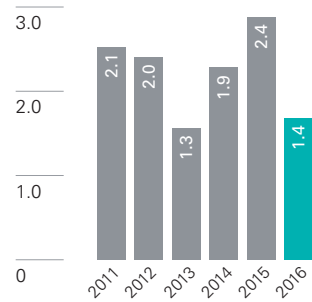
## Embedding a Safety Culture

We continue to embed our safety culture through ongoing investments in safety training and on-the-job peer review and rules compliance observations. Our revamped two-week Locomotive Engineer Recertification program includes enriched training content on safe train handling, which we have tailored to align with the requirements set out by Transport Canada. We also provide our Locomotive Engineers with peer support on traumatic train operating experiences. In 2016, we conducted approximately 42,652 training hours on safety.



RIGHT: Brian Zommer, Locomotive Engineer at Winnipeg Station

### TRAIN INCIDENT RATIO<sup>1)</sup> per million train mile



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

**-42%**

reduction in train incidents since 2015

### RAILWAY SAFETY MANAGEMENT

Our safety management system (SMS) provides a disciplined and accountable framework for managing safety risks across our railway operations, as follows:

#### PROCESS

Our SMS includes the procedures, processes and responsibilities for safety management in alignment with the SMS regulations under the Railway Safety Act.

In 2016, a third party audit was conducted to assess the Corporation's compliance and effectiveness under the SMS regulations. Although the SMS has been in place for less than one year, the audit showed that it is already effective in supporting our policies and objectives, and meets the requirements of the Railway SMS Regulations.

Though our system audit was successful, there is always room for improvement and we will continue to challenge and upgrade our practices to be even safer.

#### PEOPLE

We continued to embed a strong safety culture in our people through our safety training programs. We successfully delivered our revamped two-week Locomotive Engineer Recertification Program, which was enriched with

content to promote safe train handling behaviours and focus on human factors. We also introduced an 18-month re-certification cycle for our Locomotive Engineers, which exceeds Transport Canada requirements.

#### TECHNOLOGY

We implemented a mobile electronic device for Locomotive Engineers to access their required documents, including safety rules. We successfully updated our GPS train safety system with a braking curve model, to determine safe braking distances and speeds for our Locomotive Engineers. Leveraging the GPS system, we continued to monitor train speeds using Train Status Information Plus (TSI+) and coached our Locomotive Engineers on better handling practices.

#### EQUIPMENT AND INFRASTRUCTURE

We focused some of these investments on eliminating rail joints on bolted tracks through the implementation of continuous welded rail to prevent broken rails. We also continued to conduct infrastructure safety inspections, which included rail equipment and infrastructure component inspections, ultrasonic testing and electronic track geometry tests, and yearly independent audits on our infrastructure high risk area program.

### IN FOCUS

## DEPLOYING INNOVATIVE SAFETY TECHNOLOGIES



To meet the highest standards of safety performance, we are making important strides to integrate innovative solutions into our operations to run a safe, more efficient and fluid railway.



*"Our GPS system is helping us change behaviours and continuously improve our safety performance. In 2016, we enhanced the system to include a braking curve model, to communicate safe braking distances and speeds to our Locomotive Engineers."*

**DENIS VALLIERES**  
Senior Director,  
Network Operation

**GPS Control System:** The GPS system is an innovative technology helping us improve our safety processes and practices, and is monitored at our Operations Control Centre. It provides most of the benefits of Positive Train Control technology and is the first of its kind in Canada. In 2015, we successfully completed a first live road test, and in 2016, we upgraded the system to incorporate the braking curve model, which is a key safety feature to determine safe braking distances and speeds.

The GPS system enables us to reduce safety accidents caused by human error by providing timely reminder alerts about rules, speed restrictions and slow orders, including the activation of penalty brakes. We are also using the TSI+ functionality to systematically monitor train speeds to coach our Locomotive Engineers on safer train handling behaviours.

**Locomotive Engineer (LE) Mobile Electronic Devices:** To improve their work environments, LEs now have access to a mobile electronic device to facilitate access to all required documents, including the necessary safety operating and regulatory documents. The devices are expected to provide up-to-date information, decrease workplace injuries, and improve overall engagement and compliance on safety.



RIGHT: GPS Control System panel installed on our locomotives

ABOVE: Michelle Ardron, Operating Practices & Regulatory Compliance, Network Operations, uses VIA Rail's new LE Mobile Electronic Device. Distributed in 2016, all our LEs now have instant access to information such as regulatory and safety documents creating greater agility and productivity in the way we work.

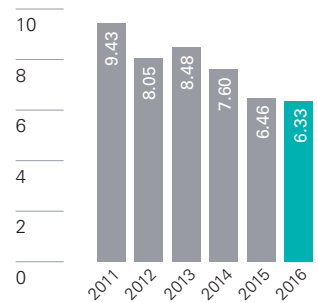


## Security at Ottawa Station

Over the past year, we increased our security personnel and started implementing physical security measures at Ottawa Station. Our security measures include: installing fixed station furniture; ensuring employee identification and eliminating unauthorized access to restricted areas; increasing lighting and visibility for staff; and providing more conspicuous signs to improve passenger awareness of suspicious persons. Innovative technology upgrades are also being installed, including video surveillance and access management improvements.



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



We have achieved significant improvements in our accident frequency rate, which we have reduced by 33% since 2011.

### OCCUPATIONAL HEALTH & SAFETY

We are committed to maintaining an incident and injury-free work environment.

We empower all our employees, in every office, on every train and in every station to be a safety leader – to take responsibility for keeping our employees and passengers safe by instilling a safety culture consistent with our values.

Our executive leadership is actively promoting efforts towards safety prevention. In addition to monitoring health and safety trends on a regular basis, we strengthened our approach to conducting risk assessments, accident root cause analysis, and identifying follow-up corrective and preventive actions. We also strengthened our process for communicating safety alerts and sharing best practices.

In 2016, we focused our efforts on a new hearing conservation program. Beginning with Locomotive Engineers, we compiled baseline data and established a strategic plan for prevention and control. In 2017, we plan to expand the hearing tests beyond our Locomotive Engineers to all our employees working on our trains as well as at our maintenance centres.

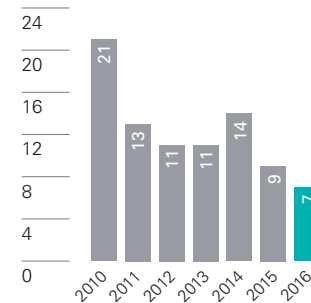
### SECURITY STRATEGY

We recognize the important responsibility we have to operate a secure railway. Protecting passengers, employees and assets is, and will continue to be, an absolute imperative. We are committed to complying with the Railway Safety Act, which sets clear expectations for us to “promote and provide for the safety and security of the public and personnel, and the protection of property and the environment in our railway operations.”

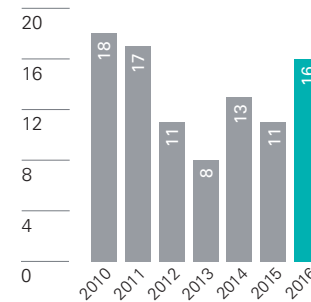
In 2015, we released our Security Strategy, which we tailored to Canada’s unique inter-city passenger rail environment. We spent 2016 completing the first phase of its deployment, which we piloted at Ottawa Station. As part of the pilot, we increased our law enforcement presence and implemented measures to further strengthen physical security at the station.

Over the next year, we expect to extrapolate our physical security measures to other VIA Rail stations, while enhancing our relationships with our security partners along the network.

### CROSSING INCIDENTS



### TRESPASSING INCIDENTS



Since 2010 our crossing accidents have been generally declining. We continue to conduct public outreach on railway safety, and will be focusing our efforts on reducing trespassing incidents.

### PUBLIC OUTREACH

Our engagement with communities on public safety is primarily focused on increasing safety awareness and educating the public on the importance of prevention.

Most accidents involving our trains occur when people trespass on rail property or take unnecessary risks when crossing tracks. Thanks to ongoing annual safety awareness campaigns run through industry associations, community organizations and infrastructure owners, the number of crossing accidents have been generally declining.

In 2016, we continued to play a major role in Operation Lifesaver’s Rail Safety Week event. This included organizing and participating in multiple rail safety awareness activities across the country, such as:

- a railway safety blitz at Fallowfield Station with the Transportation Safety Board, Operation Lifesaver and OC Transpo;
- outreach with the Children’s Breakfast Clubs to educate Toronto school children aged 7-11 about the importance of being safe around rail track and railway crossings; and
- an information booth at Brampton Station with the CN Police and Transport Canada.

We also actively engage with communities regarding our infrastructure projects to ensure the public understands where projects are underway and the types of safety precautions to take.



### EDUCATING CHILDREN ON SAFETY

In Toronto, Vladimir Jean-Pierre, Senior Manager, Customer Experience, visited the Warden Woods Public School with the Children’s Breakfast Clubs to educate 60 kids, age 7-11, about the importance of being safe around rail tracks and railway crossings.



### Operation Lifesaver – Supporting Rail Safety Week

Over the past year, we were once again a significant supporter of Operation Lifesaver’s Rail Safety Week as part of our ongoing efforts to keep the public safe around the railway. We participated with the Transportation Safety Board, Operation Lifesaver and OC Transpo in the railway safety blitz at Fallowfield Station. During the safety blitz, we engaged with the community to educate them about the hazards surrounding railway crossings and trespassing on railway property.

LEFT: Railway safety blitz at Fallowfield Station

# REDUCE OUR IMPACT ON THE ENVIRONMENT



ABOVE:  
VIA Rail's Canadian train travelling from Toronto – Vancouver offers our customers unique and unparalleled views – affordably, safely, and with a significantly smaller carbon footprint than travelling by air.



*"We believe a shift towards travel by rail is an important part of the climate change solution. We are also doing our part to minimize the environmental impact of our fleet and buildings, including our corporate offices, equipment maintenance centres and train stations."*

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

## BEING PART OF CANADA'S CLIMATE CHANGE SOLUTION

As the most environmentally-friendly inter-city transportation mode, we believe passenger rail is an important part of the environmental solution for Canada. It provides an accessible and affordable alternative to cars and supports the necessary shift we need to make to reduce the transportation sector's contribution to climate change and smog.

We are also committed to doing our part to reduce the environmental impact of our fleet and building operations. We have set bold energy and carbon emission reduction targets in alignment with the International Union of Railway goals to limit climate change.

As we drive forward the sustainable mobility agenda in Canada, we aspire to preserve the environment for future generations.

## OUR MANAGEMENT APPROACH

Environmental sustainability is an important priority for us. Anchored by the commitments set out in our environmental policy, we have established an ISO 14001 Environmental Management System (EMS) for our maintenance centers to provide them with a framework for tracking, evaluating and communicating their environmental performance.

In 2016, we successfully maintained our ISO 14001 EMS certification at three maintenance facilities in Montréal, Vancouver and Winnipeg.

Executive oversight for the EMS is assigned to the Chief Legal & Risk Officer and Corporate Secretary who reports progress to our President and CEO and the VIA Rail Board of Directors.

The Director, Safety and Sustainability, leads the implementation of our environmental strategy, which is focused on promoting the environmental benefits of rail, addressing climate change mitigation and adaptation, managing waste and procuring more sustainable products and services.

## 2016 ACHIEVEMENTS

### LOWERING OUR CARBON FOOTPRINT

**-39%**  
reduction in GHG emissions since 1990

### RE-CERTIFYING OUR ENVIRONMENTAL MANAGEMENT SYSTEM



Maintained our ISO 14001 EMS certification at three of our maintenance centres

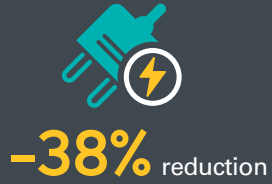
### REDUCING CRITERIA AIR CONTAMINANTS

**-26%**  
reduction since 2010

## VIA Rail's Progress on the International Union of Railways (UIC) Goals

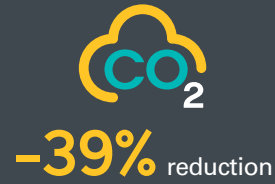
Our significant reductions in energy and carbon position us well on our commitments.

### ENERGY CONSUMPTION (Baseline 1990)



**UIC Global Target:**  
50% reduction by 2030  
60% reduction by 2050

### CARBON EMISSIONS (Baseline 1990)



**UIC Global Target:**  
50% reduction by 2030  
75% reduction by 2050

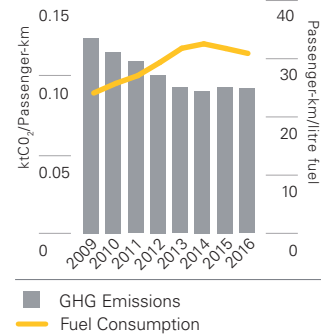
### MODAL SHARE OF PASSENGER RAIL (Baseline 2010)



Currently establishing baseline

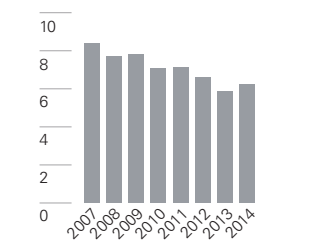
**UIC Global Target:**  
50% increase by 2030  
100% increase by 2050

### FUEL EFFICIENCY GHG Emissions Intensity vs. Fuel Consumption per Passenger-kilometre



**-25%**  
reduction in fuel intensity  
since 2009

### CRITERIA AIR CONTAMINANTS FOR PASSENGER RAIL IN CANADA (Kilotonnes) of which VIA Rail represents 98%



**-26%**  
reduction since 2010

### CLIMATE CHANGE MITIGATION AND ADAPTATION

Climate change is perhaps one of the most significant threats we face in the transportation sector. As a passenger rail carrier, we must play our part to mitigate emissions. This is why we have set bold goals as part of our UIC commitment to reduce our GHG emissions.

#### RAIL FLEET OPERATIONS

Of all our activities, rail fuel consumption is the largest source of GHG emissions. Since 2007, we made significant reductions. We modernized our fleet and completely overhauled our locomotives, leading us to reduce our GHG emissions intensity by 27% per passenger-kilometre since 2009, and save 14 million litres of fuel.

As our train fleet naturally approaches the end of its useful life, it will need to be replaced, which would enable us to reduce our GHGs further.

Today, improving rail fuel efficiency is focused on optimizing the cycling of cars and training Locomotive Engineers (LEs) on fuel efficient behaviours. We compile data through our Wi-Tronix telemetry system and communicate improvements through personalized LE energy management score cards.

In 2016, our fuel saving project was recognized with a Mercuriade, a prestigious Québec business award for "Increased Productivity".

#### ENERGY EFFICIENT BUILDINGS

Despite the already minimal impact of our buildings, we still extend our environmental efficiency mindset to them.

In 2016, Widad Mas, Senior Advisor, Continuous Improvement, Asset Management, led an energy conservation project that included energy audits, carbon baselines, and energy efficiency project prioritization. A number of projects are underway, or have already been completed, including the ongoing upgrades and retrofits of air conditioning and boiler systems, energy efficient lighting, and greener roofing options.

#### CRITERIA AIR CONTAMINANTS (CAC)

Our ability to reduce CACs is linked to how we are improving fuel efficiency. Should we be in a position to renew our fleet, we expect that the new engines would result in lower CACs.

### IN FOCUS

## RENEWING OUR FLEET TOWARDS A MORE SUSTAINABLE SYSTEM



*"We would welcome the acquisition of a new more efficient fleet. Our current fleet will soon reach the end of its life; its age and ad hoc modifications done through the years are prompting the need for a newer more efficient fleet."*

**CARL DESROSIERS**  
Chief Mechanical Officer

Our proposed train fleet renewal program in the Québec City-Windsor corridor would make great strides in helping to reduce GHG emissions and criteria air contaminants, and would allow for a more reliable, accessible and comfortable travel experience for our passengers.

Our current train fleet is naturally approaching the end of its useful life, and will need to be replaced. The proposed fleet replacement could be composed of up to 160 cars and 40 locomotives. A new fleet would position us well to contribute to a more environmentally sustainable transportation system. While there are a number of options still under consideration, what we do know is that new engines would perform better and consume less energy.

We would plan to equip the new fleet with our Wi-Tronix telemetry system to enable even greater fuel efficiency.

In 2016, we focused our efforts on developing the market-sounding processes for our proposed new corridor fleet and gathering information through a consultation process from employees and customers. At the end of 2016, we filed a fleet renewal business case with Transport Canada.

#### FORECASTED OUTCOMES

**-12%**  
annual reduction in  
GHG emissions

**-5 million litres**  
annual reduction in  
fuel consumption

**15-20 years**  
life span of locomotives



**ABOVE:** An Officer at VIA Rail's Operations Control Centre systematically monitors information from the Wi-Tronix telemetry system to provide real-time performance and the ability to coach Locomotive Engineers on safe and efficient handling behaviours to reduce idling and fuel consumption.



*“Incorporating our waste goals into our new waste supplier request for proposal will be an important focus in 2017. By working with our suppliers, we will be aiming to ensure our waste is reused and recycled to meet our landfill diversion targets.”*

**WIDAD MAS**  
Senior Advisor,  
Continuous Improvement,  
Asset Management

### WASTE MANAGEMENT

Our commitment to waste management is a core part of how we plan to contribute to the circular economy. In a circular economy, the generation of waste is minimized, and products and packaging are kept within the market for as long as possible.

In 2016, we made every effort to source environmentally sustainable products that take into consideration their toxicity, longevity, and recyclability.

For example, at our St-Lambert Station we used recycled materials when renovating the platform, and also explored options to source bio-degradable cleaning products at our facilities.

The waste generated during our operations and at our buildings is managed through our waste conservation program, which is designed to engage our employees to collect, segregate, reuse and recycle waste efficiently.

In 2017, we plan to strengthen our waste management program by developing a formal waste baseline, and by engaging a new waste hauler to facilitate our goal of diverting waste from landfills.

### SUSTAINABLE PROCUREMENT

We are committed to proactively working with our third party suppliers to promote the use of environmentally and socially responsible products and services.

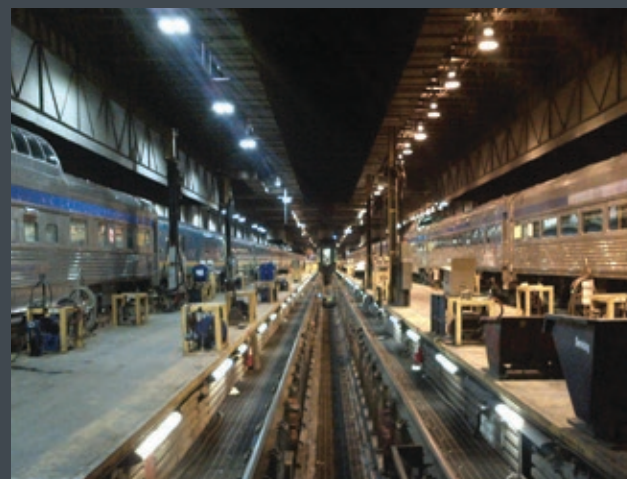
Sustainability principles are integrated in various ways throughout the procurement process:

- **Service Request For Proposal:** We work with each department to identify sustainability requirements in our service requests.
- **Supplier selection:** Weightings are typically applied to selection criteria, including sustainability factors.
- **Contract approvals:** Prior to undertaking work, third parties are required to attest their compliance to ethical, social and environmental requirements defined in the contract. Where third parties have facilities in countries outside Canada, we ask for WRAP certifications or similar to ensure they comply with international standards on ethics, labour, health and safety, environment and security.
- **Contract execution and reviews:** We conduct regular reviews of our third parties to ensure contract requirements are met.

### Encouraging Innovative Circular Economy Solutions

We believe that the most important role we can play to participate in the circular economy is to encourage our suppliers to provide products and services that prevent waste and extend a product's life. Through our procurement department, we engage with our suppliers to source sustainable materials, including at our stations where we are investing in longer life LED lighting, recyclable materials for station platforms, and ensuring waste is recycled and diverted from landfills.

RIGHT: Investing in new LED lighting (left) at Montréal Maintenance Centre to replace existing lighting (right)



### IN FOCUS

## PROMOTING THE ENVIRONMENTAL BENEFITS OF PASSENGER RAIL

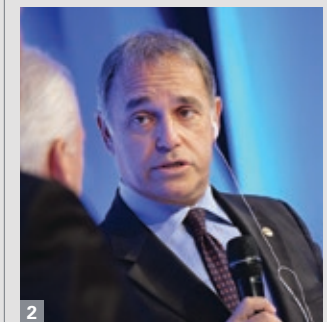


Passenger rail is helping to bring about transformational change in Canada by reducing the transportation sector's contribution to climate change, and by helping to relieve the growing congestion and smog issues that continue to challenge its urban centres.

We believe that the environmental benefit of rail transportation is an important reason why people are attracted to our trains.

Over the past year, our President and CEO, Yves Desjardins-Siciliano, has been travelling across Canada and other countries promoting our vision for a more sustainable future and the important role they can play in shaping it.

In 2016, Yves actively communicated this message during more than 32 speeches, including stops at conferences, boards of trade, chambers of commerce, and universities.



### KEY OUTPUTS

32

speeches to promote the environmental benefits of rail

235,155  
tonnes of CO<sub>2</sub>e

of carbon avoided by VIA Rail trains in 2016, when compared to car travel

-89%

reduction in sulphur dioxide air contaminants since 2010



ABOVE FROM TOP: Our President and CEO, Yves Desjardins-Siciliano, participated in many conferences and speaking opportunities in Canada and internationally. **1-2/** Opening ceremony at InnoTrans 2016 in Berlin, the leading international trade fair for transportation technology. **3/** Montreal Chamber of Commerce. **4/** UIC Sustainability Conference in Vienna, which examined both the contribution of rail to delivering the UN 2030 Sustainable Development Goals and how sustainability can give rail a competitive advantage.

# BE AN ATTRACTIVE EMPLOYER



**ABOVE:**  
Our team of over 2,700 dedicated and passionate employees embody our customer-centric values at every exchange.

## EMPOWERING THE WORKFORCE OF THE FUTURE

Our team of 2,731 employees across Canada is our most important asset and the heart of our business. Their deep commitment to our vision, mission and values is what differentiates us as a company.

The environment in which our people work is changing in every way, from how our customers wish to interact with us, the rapid evolution of technology, the changing demographics towards an aging workforce, to expectations around diversity and flexibility.

These shifting dynamics have seen us step up our focus to empower the workforce of the future. For us, that meant providing an inclusive environment where people from diverse backgrounds could feel happy and proud of the work they do with the flexibility to adapt to change and become even more customer-centric, digitally savvy, agile, and innovative in spirit.



*“Our people are the foundation of our success. Over the next few years, our goal is to ensure that all VIA Rail employees have access to the same resources and support and that we build the capabilities of our leaders so that they can develop and empower their teams.”*

**LINDA BERGERON**  
Chief Human Resources Officer

## OUR MANAGEMENT APPROACH

Our ability to be an attractive employer is focused on providing people with an inspiring workplace where they can thrive as individuals, develop their skills and be highly motivated, engaged and agile in the face of change.

Over the past year, we welcomed our new Chief of Human Resources and refined our people strategy to make sure that we have the right tools and programs to attract, develop, retain and engage our talented workforce.

Our priority is to ensure that all VIA Rail employees, both unionized and non-unionized, have access to the same resources and support.

To do so, we are encouraging our leaders to embed an innovative and inclusive culture into their teams in order to drive the business forward. Investing in the VIA Rail Leadership School (described in this section) and Locomotive Engineer training programs were important levers for us, as was our annual engagement survey that gives us a pulse on our performance.

## 2016 ACHIEVEMENTS

### DEVELOPING SKILLS

**106,893**

total hours of training in 2016, with an average of 40.6 hours per employee

### RECOGNIZED AS ONE OF CANADA'S BEST EMPLOYERS



Ranked 47<sup>th</sup> out of Canada's 250 Best Employers by Forbes

### ENGAGING OUR PEOPLE

**71%**

participation rate in our employee engagement survey, an increase of 8% since 2015

## Military Reservist Hiring Policy

At VIA Rail, we are actively engaged in finding ways for military, veterans and reservists to join our company. Not only do we share the same values of discipline and service to Canadians, but also many skills and competencies learned through military training are transferable to our organization. In 2016, we instituted a new policy to ensure that military permanent employees who are members of the reserve force are able to take an authorized military leave of absence, without impacting their career at VIA Rail. Today, we have 45 members of the military and veterans working at VIA Rail.



RIGHT: 2016 annual meeting of the Lanaudière veterans where VIA Rail was the largest sponsor



*"I've worked at VIA for three months. It's a new career for me. I worked as a bus driver for a long time, for passenger busses. I wanted to learn something else. I have always liked working with the public. The platforms are always so alive! I like that we work a lot as a team."*

**CHANTAL SAMSON**  
New Employee,  
Montréal Central Station

### ATTRACT PEOPLE

With a growing business and an aging workforce, we still have work to do to continue to recruit new talent and address these changing demographics. In 2016, we hired 566 people, including both unionized and non-unionized employees.

In 2016, we also transformed our recruitment team into three distinct groups as follows: the Centre of Expertise to drive forward our recruitment strategy; the Centre of Process and HR Information to operationalize the recruitment strategy; and the Business Centre to connect and build relationships with external partners.

With this transformation, we are well-positioned to replace our retiring employees and to fill new strategic positions as we grow the business. Over the past year, we worked to maintain our relationship with recruitment organizations to ensure we access the best talent applicant pool.

As a result of our efforts, we successfully hired and onboarded 566 people, giving them the knowledge, tools and support to succeed within our organization.

Our recruitment strategy includes a commitment to attract more members of the military and veterans to our company with similar skills and competencies to ours.

In 2016, we hired 25 military and veterans, up from 5 new hires in 2015. We also provided them with a new leave policy that authorizes military absences without impact to their careers.

### DIVERSITY AND INCLUSION

Our goal is to be an inclusive and accessible employer that reflects people from all backgrounds within Canada. As the demographics of our workforce change, we will continue to ensure diversity is well reflected in our talent attraction, retention and development programs.

Through our focus on inclusive growth, we are committed to increasing representation of the four groups designated by the Government of Canada: women, people with disabilities, visible minorities and Aboriginal People.

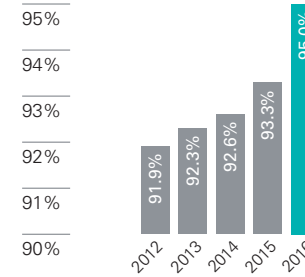
### GENDER DIVERSITY

Men 67.9%  
Women 32.1%



We are committed to supporting initiatives to promote gender diversity within our organization.

### EMPLOYEE ATTENDANCE



Our employee attendance rate has continued to improve, reflecting the commitment and engagement of our people in their work.

Our diversity and inclusion programs are overseen by a national committee and supported by several regional diversity committees. Over the year, the committees met to plan and execute diversity and inclusion awareness programs.

Many of these programs, including our leadership programs, were focused on uncovering unconscious biases, ensuring our employees' behaviours were consistent with our values, and communicating the importance of a diverse workforce for the success of our business.

In 2016, approximately 32% of our employees were women, 10% visible minorities, 2% people with disabilities and 2% Aboriginal People. Over the next year, we plan to strengthen our diversity and inclusion strategy.

### HEALTH AND WELL-BEING

In order to attract and retain a highly motivated and engaged workforce, we are committed to creating a work environment that promotes good health and well-being.

In 2016, our executives formally signed VIA Rail's commitment to promote our employees' psychological health and safety.

We enforced strict guidelines to ensure employees with safety critical and sensitive positions are physically and psychologically capable of carrying out their duties, and implemented a critical incident care program to provide support for employees recovering from post-traumatic stress disorders.

In addition to our Employee Assistance Programs, we introduced Lifespeak, a new video series available to our employees and their families on a wide range of health and wellness topics.

Learning how to promote psychological health and a respectful work environment is part of our leadership training program.

We also actively participate with the Mental Health Commission of Canada on the implementation of the National Standard for Psychological Health and Safety in the Workplace. Over the past year, we contributed to a *L'Université du Québec à Montréal* study on post-traumatic stress in the rail sector.



## Mental Health in the Workplace

As part of our commitment to promote psychological health and wellness in the workplace, we initiated a peer support training program for our Locomotive Engineers on the subject. On a bi-annual basis, Locomotive Engineers and on-train-service employees who have experienced traumatic events are selected to act as peers with their colleagues – mainly new hires or those who have recently experienced trauma. The program assists employees in recognizing warning signs of distress and how to deal with stressful situations and promote early recovery.

RIGHT: Paul Terpstra, Chef on the *Canadian*

IN FOCUS

## DEVELOPING OUR FUTURE LEADERS



As we build the workforce of the future, our focus is on developing the capabilities of our leaders to develop and motivate their teams and create an environment where people feel supported, valued and empowered to be successful.

### VIA RAIL LEADERSHIP SCHOOL OUTPUTS

214

trainees, including directors, senior managers, managers and supervisors

7,236

hours of training

94

training sessions

4.5/5

average satisfaction rating

The launch of the VIA Rail Leadership School Program in 2016 was developed with three objectives in mind:

- to accelerate our managers' growth by providing them with a broader knowledge of our business and common tools;
- to support the mission and vision of VIA Rail and our cultural and organizational change by developing new management reflexes; and,
- to increase managers' own engagement of the employees.

Over the course of the year, we delivered four training modules and trained 214 leaders in the organization, including directors, senior managers, managers and supervisors. Managers participated in co-development sessions enabling them to get input from colleagues on business challenges.

The VIA Rail Leadership School was a great success. We obtained positive feedback from the participants, and our overall employee engagement scores for managers increased by 13% since 2015.



RIGHT: Trainees actively participating in one of the 94 training sessions provided by the VIA Rail Leadership School.

ABOVE: Chief Commercial Officer Martin R. Landry addresses trainees at the VIA Rail Leadership School.

## Employee Engagement Survey Results

In 2016, our employees completed our Employee Engagement Survey. The survey provides us with a pulse on how we are doing as an organization and what we can do to further improve. In 2017, we plan to develop appropriate action plans to increase engagement and grow together.



71%

participation rate, an increase of 8% since 2015



57%

engagement score, an increase of 6% when compared to 2015



+8%

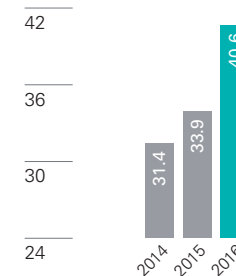
increase in trust index score indicating confidence in follow-up actions



69%

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

### AVERAGE HOURS OF TRAINING PER EMPLOYEE



40.6 hours

training per employee, up 29% from 2014 as a result of significant investments over the past year in technical skill courses and training through the VIA Rail Leadership School

### TALENT DEVELOPMENT

Our training and development programs cover a broad range of topics, including client service, equipment training, management training, talent recruitment, health and safety, workplace violence, environmental compliance, harassment and information security, among others. In 2016, our employees participated in 106,893 hours of training.

In 2016, we launched a new student Locomotive Engineer Training program. A total of 20 qualified employees were selected to participate over a 36 month period. The program consists of classroom training, training on a locomotive simulator, practical training, and operational work experience. We also increased the frequency of our Locomotive Engineer re-certification from 36 months to every 18 months – far exceeding regulatory requirements.

The VIA Rail Leadership School was launched in 2016, with a strong focus on developing the capabilities of our leaders to maximise the potential of their teams.

### EMPLOYEE ENGAGEMENT

Engaging our people on our values and strategies enables them to better understand how they can help us drive the business forward, while ensuring we provide opportunities for them to be successful both personally and professionally. The engagement with our employees happens on various levels.

We engage through constructive dialogue with both our employees and their union representatives. In 2016, we reached an agreement with UNIFOR, the union that represents 1,800 VIA Rail employees. We are also engaging with both UNIFOR and the TCRC union to explore a "pay for performance" program for employees to benefit from fuel efficiency savings.

Our annual employee engagement survey was conducted for the second year in a row and we were pleased to obtain a 71% participation rate.



**RECOGNIZING OUR PEOPLE**

Rewarding performance through our Distinction Awards is also an important part of how we reward those who stand out for their excellent work and dedication to VIA Rail.

In January 2016, we handed out Distinction Awards to 14 outstanding employees in the categories of Five-Star Service, Maintenance Excellence, Success Story, and Team Spirit.

**INNOVATION AND CREATIVITY**

We recognize that modern technology and innovation are essential for us to continue to be relevant as an organization in a fast-paced and ever-changing business environment. As we build the workforce of the future, we have taken deliberate steps to instill an innovative culture in our people.

**EMBEDDING AN INNOVATIVE CULTURE**

A creative employee mindset has become a core value that is important if we are to respond to the evolving expectations of our customers. Over the past eighteen months we launched our Distinction Awards, which includes innovation as part of the Success Story Category.

In addition to the Distinction Awards, we further strengthened our approach to encourage creative thinking at VIA Rail by launching the national Client Innovation Challenge.

Every year, all VIA Rail employees are invited to submit their ideas on how we can improve our customer experience. Many of our employees are customer-facing and therefore have an insider's perspective on how to best meet their needs.

We value these ideas and experiences and celebrate them through the Client Innovation Challenge. In fact, the winners of this contest are then given funding to develop their projects.

**NEW TOOLS AND DEVICES**

From a technology perspective, the past year was important in providing new automated tools and devices to support our employees in their work environment. We deployed tablets for our Locomotive Engineers who operate the trains, providing them with an improved communication and document management tool.

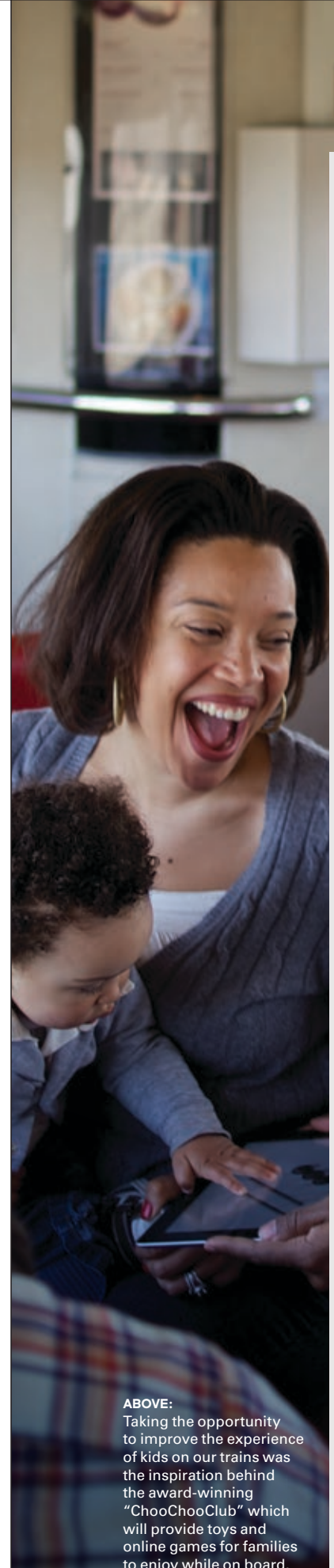
Our onboard staff now have access to our new crew management system, VIA360, which we rolled out in 2016 as well as the iPhone 6 mobiles, which increase efficiency on board.

Together these technology updates have enabled our people to better manage their work life, while keeping them highly engaged, motivated and productive.

**Workplace Technologies: VIA360 / iPhone 6**

Improved technologies in the workplace are helping us to be more agile and productive. The rollout of VIA360, a new crew management system, provides our On-Train Service employees and Locomotive Engineers with the ability to view their schedules, bid for assignments, manage their time sheets and more. We also provided our onboard staff with iPhone 6 mobiles, which is helping them speed up the boarding and ticket verification processes for our customers and make it easier for our crews to access VIA360.

**RIGHT:** On board Service Manager, Julie Baillargeon scans tickets with her new iPhone 6



**ABOVE:** Taking the opportunity to improve the experience of kids on our trains was the inspiration behind the award-winning "ChooChooClub" which will provide toys and online games for families to enjoy while on board.

**IN FOCUS**

**ENCOURAGING CREATIVITY: CLIENT INNOVATION CHALLENGE**



Employee creativity and innovation play essential roles in VIA Rail's success, which is why we launched our Client Innovation Challenge. Employees submitted their ideas on how we could further improve the customer experience and the winners were given funding to make their ideas a reality.



The Client Innovation Challenge is a concrete way to recognize the value of our employees' ideas and experiences to improve customer service. In January 2016, we celebrated three winning teams:



**INTER-MODAL PARTNERSHIP EXPANSION THROUGH RIDE-SHARING**

Richard Haaparanta and Sean Schofield's idea was to expand VIA Rail's inter-modal partnerships through ride-sharing. Over the past year, they have been working toward launching a trial partnership in Kitchener/Waterloo to help them expand the project further and build new inter-modal partnerships.

**ABOVE:** Richard Haaparanta, Business Analyst; Sean Schofield, Advisor, Business Process & Change Management with President and CEO, Yves Desjardins-Siciliano (left).



**NEW PROGRAM FOR KIDS**

"Team Kiddo" won our Innovation Challenge for their idea to update the kids' program in order to engage young travellers on board our trains. Over the past year, the team worked on developing the kids program name, mascot, and logo, which was informed by a kids' survey. They decided on "ChooChooClub" for the name of the program and landed on four adorable mascots. The program is planned to launch in 2017.

**ABOVE:** "Team Kiddo": Debbie Hsia-Nembhard, Regional Administrative Assistant; Elizabeth Brown, Senior specialist, Domestic Sales; Pravita Luximon, Sales Coordinator with Chief Commercial Officer Martin R. Landry (left) and President and CEO, Yves Desjardins-Siciliano (right).



**WHEEL REPAIR TRACKING APP**

Lukasz Szymasiak won for his electronic wheel management system project, a simple web app to track wheel maintenance repairs. The app will record wheel size as well as where, when and why a wheelset is repaired. This information can be used to forecast wheel consumption or detect reliability issues. In 2016, summer students worked on programming the web app. In 2017, the app will be put into production, and will become a required tool in the company.

**ABOVE:** Lukasz Szymasiak, Senior Engineer, Reliability and Mechanical Maintenance with President and CEO, Yves Desjardins-Siciliano (left).



# MAINTAIN THE PUBLIC TRUST



ABOVE: Sylvie and her son Malik enjoy the relaxing atmosphere that only the train can offer. They are one of the many families that entrust VIA Rail with the transportation of their loved ones.



*“Trust is fundamental to the service we provide. To build and maintain this trust we keep open and transparent communication with our stakeholders; Government of Canada and Canadian taxpayers. We strive to instill a culture of good governance and ethical conduct to guide our decision-making processes across the organization.”*

**YVES  
DESJARDINS-SICILIANO**  
President and  
Chief Executive Officer

## ADHERING TO THE HIGHEST STANDARDS

As a Crown Corporation and an active neighbour in our communities, we are committed to conducting our business to the highest standards and with integrity.

Good governance, strong values, and high-levels of accountability guide our decision-making process and enable us to manage our risks and build the trust and confidence of our stakeholders.

We believe that openness and transparency are hallmarks of any trusted relationship. By actively engaging with our stakeholders to understand and prioritize the issues that are most important to them, and by ensuring that our decisions are in line with the needs of Canadians, we are building that trust everyday.

## OUR MANAGEMENT APPROACH

VIA Rail’s Board of Directors’ members are the stewards of our organization. Board members are appointed by the Governor-in-Council on the recommendation of the Minister of Transport, and are responsible for overseeing the strategic direction and management of the Corporation. They report on our operations to Parliament through the Minister of Transport.

At the end of 2016, our Board of Directors consisted of the Lead Director, the President and CEO, and eight directors.

Of the nine directors (not including the President and CEO), five were women and four were men. Four committees assist the Board in its oversight: the Audit and Finance Committee, the Human Resources Committee, the Pension Investment Committee; and the Governance, Risk and Strategy Committee.

Over the past year, 13 Board meetings and 22 committee meetings were held with an overall average attendance rate of 89%.

## 2016 ACHIEVEMENTS

REACHING  
COMMUNITIES

**240**

Communities reached to discuss our train service, local interests, and future plans

RECOGNIZING  
BOARD DIVERSITY



VIA Rail’s President won an award at the Women and Boards gala for his contributions to advancing the role of women in corporate governance

ENGAGING A BROAD  
RANGE OF AUDIENCES

**161,594**

Facebook fans, 40,995 followers on Twitter and 8,261 followers on Instagram

## Executive Management: Delivering Strong Performance

Over the course of the past year, our executive management team, led by Yves Desjardins-Siciliano, President and CEO, has grown. Notably, we welcomed a new Chief Human Resources Officer, Linda Bergeron, and Chief Mechanical Officer, Carl Desrosiers. Together, the management team is stronger than ever to lead and transform VIA Rail for future growth.



RIGHT: VIA Rail's Management Team



*"Good governance and transparent communications are part of our commitment to be open about our business activities. Our public outreach to diverse stakeholder groups is an important part of our communication strategy."*

**MARIE-ANNA MURAT**  
Senior Director,  
Communications

### ETHICAL CONDUCT AND RISK MANAGEMENT

We are committed to conducting our business in an ethical and professional manner, ensuring we comply with all applicable laws and regulations. Our Board of Directors sign a code of ethics reflecting the spirit and intent of the Federal Accountability Act. All management and unionized employees are also required to sign and adhere to our Code of Ethics.

Risk identification and management takes place through our Enterprise Risk Management (ERM) framework. The results are communicated to the Executive Committee and reviewed by the Governance, Risk and Strategy Committee of the Board. Our Executive Committee manages risks and the Governance, Risk and Strategy Committee of the Board plays a key role in overseeing our risk management activities.

Our ERM helps us allocate resources effectively and mitigate key risks. In 2016, we won the Institute of Risk Management's award for "Innovation and Excellence: Delivering value through risk management" at the Global Risk Awards ceremony.

### TRANSPARENCY AND COMMUNICATION

We believe that openness and transparency are the starting points in building a trusting relationship with our customers, partners, and the public.

We actively engage with a broad range of audiences through our reports, speeches, and community outreach. We also engage a wide audience online through our website and other media, including our blog, Facebook, Twitter and Instagram accounts. These mechanisms enable us to communicate directly with the public about our activities. In 2016, we had 161,594 fans on Facebook, 40,995 followers on Twitter and 8,261 followers on Instagram.

When requested, we are committed to making information relevant to our business readily available in a timely and responsible manner. In 2016, we submitted our annual report on access to information and privacy to the Access to Information Commissioner and the Privacy Commissioner, as well as the Minister of Transport. Between the period April 1, 2015 and March 31, 2016, we received 55 new requests under the *Access to Information Act* and the *Privacy Act*.

## IN FOCUS

# BUILDING TRUST IN THE COMMUNITY



We are committed to working with local communities and the public through open dialogue to better understand and respond any concerns they may have, including social, environmental, ethical and economic issues.



*"The quality of our decision-making depends on the insights we have in the communities where we operate. Our priority is to engage in open dialogue and develop meaningful relationship with our key stakeholders. It is essential to promoting understanding and trust."*

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

Our Government and Community Relations team works diligently to develop and strengthen our stakeholder relationships. In 2016, we met with community leaders and groups from 240 communities to discuss or address issues on rail network improvements, celebrate cultural events, and promote stronger community partnerships.

**Stronger community partnerships:** We develop strong partnerships with a broad cross-section of organizations and stakeholders, including Chambers of Commerce, governments, industry associations, municipalities, NGOs, suppliers, academia, military groups, among many others. These partnerships allow for information exchange, and best practice sharing.

**Addressing local interests on rail network improvements:** We proactively engage communities affected by our rail network improvements. For example, in 2016 we worked with municipal officials and community leaders to address concerns on vegetation management at the Eastway Gardens in Ottawa, and noise and vibration management related to our siding construction project between the Fallowfield and Ottawa stations.

**Celebrating new citizens:** In collaboration with the Institute of Canadian Citizenship and the Ministry of Immigration, Refugees, and Citizenship Canada, VIA Rail organized a citizenship ceremony for 40 new citizens from 18 different countries in its Halifax Station. This is the second citizenship ceremony hosted in a VIA Rail station and future ceremonies are being discussed.



Photo: Michelle Doucette

RIGHT: New Canadians and their families at the citizenship ceremony in Halifax Station.

# DATA SUMMARY TABLE

## MEASURING OUR PERFORMANCE

GRI / VIA RAIL INDICATOR		2016	2015	2014
<b>CUSTOMER</b>				
VIA Rail	Passengers (in thousands)	<b>3,974</b>	3,818	3,800
VIA Rail	Passenger miles (in millions)	<b>858</b>	822	808
VIA Rail	On-time performance (%)	<b>73%</b>	71%	76%
VIA Rail	Passengers taking advantage of fare discounted packages (in thousands)	<b>393</b>	n/a	n/a
VIA Rail	Inter-modality passengers (in thousands)	<b>95</b>	77	75
<b>SOCIO-ECONOMIC</b>				
G4-EC1	In-kind trip donations (\$)	<b>1,416,849</b>	1,502,042	n/a
G4-EC8	Total suppliers supported	<b>2,562</b>	2,500	n/a
G4-EC8	Local Canadian suppliers supported (%)	<b>93%</b>	94%	n/a
G4-EC8	Supplier expenses for purchased services, materials and fuel (\$ millions)	<b>334</b>	315	n/a
<b>SAFETY</b>				
G4-LA6	Train incident ratio per million train miles <sup>a) b)</sup>	<b>1.4</b>	2.4	1.9
G4-LA6	Crossing incidents	<b>7</b>	9	14
G4-LA6	Trespassing incidents	<b>16</b>	11	13
G4-LA6	Accidents per 200,000 hours worked (frequency)	<b>6.3</b>	6.5	7.6
G4-LA6	Days lost per 200,000 hours worked (severity)	<b>118.6</b>	129.3	155.6
G4-LA6	Lost-time incidents	<b>153</b>	151	172
G4-LA9	Safety training hours	<b>42,652</b>	33,681	50,565
<b>ENVIRONMENT</b>				
VIA Rail	Total GHG emissions (scope 1 and 2) (tCO <sub>2</sub> e) <sup>c)</sup>	<b>137,007</b>	134,652	119,913
G4-EN15	Total direct GHG emissions (scope 1) (tCO <sub>2</sub> e) <sup>c)</sup>	<b>134,690</b>	132,212	119,913
G4-EN15	Rail locomotives (tCO <sub>2</sub> e)	<b>128,958</b>	125,616	119,913
G4-EN15	Maintenance centers and stations (tCO <sub>2</sub> e)	<b>5,732</b>	6,597	n/a
G4-EN16	Total indirect energy consumed – electricity (scope 2) (tCO <sub>2</sub> e) <sup>c)</sup>	<b>2,317</b>	2,439	n/a
VIA Rail	GHG emissions avoided by VIA Rail trains compared to car travel (tCO <sub>2</sub> e) <sup>d)</sup>	<b>235,155</b>	223,956	n/a
VIA Rail	% reduction in GHG emissions since 1990 <sup>e)</sup>	<b>39%</b>	41%	44%
VIA Rail	% reduction in GHG emissions intensity since 2009 <sup>e)</sup>	<b>27%</b>	26%	28%
G4-EN18	Kilograms CO <sub>2</sub> e per passenger-kilometre <sup>e)</sup>	<b>0.093</b>	0.095	0.092
GRI sector	Litres of fuel per passenger-kilometre <sup>e)</sup>	<b>0.031</b>	0.031	0.031
VIA Rail	% reduction in fuel intensity since 2009 <sup>e)</sup>	<b>25%</b>	25%	26%
G4-EN21	Total criteria air contaminants (CAC) (Kilotonnes) <sup>f)</sup>	<b>n/a</b>	n/a	6.24
G4-EN21	Nitrous oxides (kilotonnes)	<b>n/a</b>	n/a	5.24
G4-EN21	Sulphur oxides (kilotonnes)	<b>n/a</b>	n/a	0.00237
G4-EN21	Particulate matter (kilotonnes)	<b>n/a</b>	n/a	0.11
G4-EN21	Hydrocarbons (kilotonnes)	<b>n/a</b>	n/a	0.21
G4-EN21	Carbon monoxide (kilotonnes)	<b>n/a</b>	n/a	0.68
VIA Rail	% reduction in CAC emissions since 2010 <sup>f)</sup>	<b>n/a</b>	n/a	12%

GRI / VIA RAIL INDICATOR		2016	2015	2014
<b>EMPLOYEES</b>				
G4-9	Number of active employees at the end of the calendar year	<b>2,731</b>	2,577	2,516
G4-LA12	Number of active male employees	<b>1,865</b>	1,701	1,686
G4-LA12	% of active male employees	<b>68%</b>	66%	67%
G4-LA12	Number of active female employees	<b>866</b>	876	830
G4-LA12	% of active female employees	<b>32%</b>	34%	33%
G4-11	Unionized employees (%)	<b>81%</b>	81%	82%
G4-LA1	New hires	<b>566</b>	393	298
VIA Rail	New hires from Canadian Armed Forces	<b>25</b>	5	n/a
G4-LA1	Employee turnover rate (%)	<b>10</b>	11	11
VIA Rail	Attendance rate (%)	<b>95.0%</b>	93.3%	92.6%
G4-LA12	Number of active Aboriginal employees	<b>52</b>	n/a	n/a
G4-LA12	% of active Aboriginal employees	<b>2%</b>	n/a	n/a
G4-LA12	Number of active visible minority employees	<b>278</b>	n/a	n/a
G4-LA12	% of active visible minority employees	<b>10%</b>	n/a	n/a
G4-LA12	Number of active people with disabilities employees	<b>49</b>	n/a	n/a
G4-LA12	% of active people with disabilities employees	<b>2%</b>	n/a	n/a
G4-LA12	Number of active veteran employees	<b>38</b>	n/a	n/a
G4-LA12	% of active veteran employees	<b>1%</b>	n/a	n/a
G4-LA12	Age group over 50 (%)	<b>39%</b>	43%	49%
G4-LA12	Age group between 30-50 (%)	<b>44%</b>	42%	40%
G4-LA12	Age group below 30 (%)	<b>17%</b>	15%	11%
G4-LA9	Total hours of training	<b>106,893</b>	70,911	83,916
G4-LA9	Health and safety training	<b>42,652</b>	33,681	50,565
G4-LA9	Customer service training	<b>31,283</b>	20,540	15,468
G4-LA9	Equipment training	<b>11,008</b>	8,464	6,567
G4-LA9	Employee support training	<b>9,743</b>	1,311	1,320
G4-LA9	Management training	<b>8,861</b>	2,188	2,573
G4-LA9	Specific skills and professional development	<b>1,706</b>	2,771	5,417
G4-LA9	General training programs	<b>1,640</b>	1,956	2,006
G4-LA9	Number of employees who received training	<b>2,630</b>	2,091	2,667
G4-LA9	Average hours of training per employee	<b>40.64</b>	33.91	31.46
<b>GOVERNANCE</b>				
G4-38	Board directors	<b>10</b>	11	11
G4-38	Non-executive directors	<b>9</b>	10	10
G4-38	Female board directors (%)	<b>50%</b>	50%	50%

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

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

c) GHG emissions relates to scope 1 emissions from rail locomotives and natural gas consumption from maintenance centers and stations and scope 2 emissions from electricity and steam consumption from maintenance centers and stations. It includes CO<sub>2</sub>, CH<sub>4</sub> and N<sub>2</sub>O. We applied a base year of 2009. We use the GHG protocol for our reporting standard, and apply the emission factors from Environment Canada's National Inventory 2014.

2014 GHG emissions does not include emissions from maintenance centers or stations.

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

e) Does not include emissions or fuel consumption from maintenance centers or stations.

f) Based on the "2014 Locomotive Emissions Monitoring Report".

# GRI INDEX

## ALIGNING TO INTERNATIONAL STANDARDS

In compiling the content for our 2016 Sustainable Mobility Report, we were guided by the reporting principles set out in the Global Reporting Initiative (GRI) G4 Reporting Framework. The following GRI index presents the GRI standard disclosures covered in our report and other resources available on our website.

### GENERAL STANDARD DISCLOSURES

INDICATOR	SECTION / LOCATION	PAGE / SOURCE
<b>STRATEGY AND ANALYSIS</b>		
G4-1	Statement from most senior decision-maker	Message from the President and CEO 2-3
G4-2	Description of key impacts, risks, and opportunities	Message from the President and CEO 2-3*
<b>ORGANIZATIONAL PROFILE</b>		
G4-3	Name of the organization	About this Report 56
G4-4	Primary brands, products, and/or services	Our Business 4
G4-5	Location of organization's headquarters	About this Report 56
G4-6	Number and name of countries where organization operates	Our Business 4
G4-7	Nature of ownership and legal form	Our Business 4
G4-8	Markets served	Our Business 4
G4-9	Scale of the reporting organization	Our Business, Data Summary Table 4, 51
G4-10	Size of the workforce	Data Summary Table 51
G4-11	Employees covered by collective bargaining agreements	Data Summary Table 51
G4-12	Organization's supply chain	Support Socio-Economic Development, Reduce Our Impact on the Environment 22, 36*
G4-15	Externally developed economic, environmental and social initiatives	Message from the President and CEO, Provide the Best Customer Experience, Operate Safely and Efficiently, About this Report 2, 18, 31, 56
G4-16	List memberships of associations	About this Report 56*
<b>IDENTIFIED MATERIAL ASPECTS AND BOUNDARIES</b>		
G4-17	Entities included in the organization's financial statements	Our Business 4
G4-18	Defining report content and aspect boundaries	Setting the Right Priorities, About this Report 10-11, 56
G4-19	Material aspects identified	Setting the Right Priorities 10-11
G4-20	Aspect boundary within the organization	Setting the Right Priorities 10-11
<b>STAKEHOLDER ENGAGEMENT</b>		
G4-24	Stakeholder groups	Maintain the Public Trust 48-49
G4-27	Key topics and concerns raised through stakeholder engagement	Setting the Right Priorities 10-11

\* Partially reported

INDICATOR	SECTION / LOCATION	PAGE / SOURCE
<b>REPORT PROFILE</b>		
G4-28	Reporting period	About this Report 56
G4-29	Date of most recent previous report	Message from the President and CEO 2
G4-30	Reporting cycle	About this Report 56
G4-31	Contact point for questions	About this Report 56
G4-32	GRI Content Index	GRI Index 52-55
G4-33	Assurance	About this Report 56
<b>GOVERNANCE</b>		
G4-34	Governance structure	Maintain the Public Trust 47
G4-35	Process for delegating authority for economic, environmental and social topics	Sustainable Mobility at VIA Rail 8-9
G4-36	Executive-level position on economic, environmental and social responsibility topics	Sustainable Mobility at VIA Rail 8-9
G4-37	Consultation between stakeholders and highest governance body on economic, environmental and social topics	Sustainable Mobility at VIA Rail 8-9
G4-38	Composition of the highest governance body and its committees	Maintain the Public Trust, Data Summary Table 47, 51
G4-39	Chair of the highest governance body is also an executive officer	Maintain the Public Trust 47
G4-40	Nomination and selection processes for the highest governance body	Maintain the Public Trust 47
G4-41	Processes for highest governance body to manage conflicts of interest	Maintain the Public Trust 47
G4-42	Highest governance body's and senior executives' roles	Maintain the Public Trust 47
G4-43	Measures to develop knowledge of economic, environmental and social topics	Sustainable Mobility at VIA Rail 8-9
G4-45	Highest governance body's role in identifying economic, environmental and social risks and opportunities	Maintain the Public Trust 48
G4-46	Highest governance body's role in reviewing risk management for economic, environmental and social topics	Maintain the Public Trust 48
G4-48	Highest committee formally reviews and approves the organization's sustainability report	Sustainable Mobility at VIA Rail 9
G4-49	Communicating critical concerns to the highest governance body	<a href="http://www.viarail.ca/sites/all/files/media/pdfs/About_VIA/Code_ethics_complete_EN.pdf">www.viarail.ca/sites/all/files/media/pdfs/About_VIA/Code_ethics_complete_EN.pdf</a> Code of Ethics VIA Rail Canada
<b>ETHICS AND INTEGRITY</b>		
G4-56	Values, principles, standards and norms of behaviour	Maintain the Public Trust 47-48
G4-57	Mechanisms for seeking advice on ethical and behaviour	<a href="http://www.viarail.ca/sites/all/files/media/pdfs/About_VIA/Code_ethics_complete_EN.pdf">www.viarail.ca/sites/all/files/media/pdfs/About_VIA/Code_ethics_complete_EN.pdf</a> Code of Ethics VIA Rail Canada
G4-58	Mechanisms for reporting concerns about unethical or unlawful behaviour	<a href="http://www.viarail.ca/sites/all/files/media/pdfs/About_VIA/Code_ethics_complete_EN.pdf">www.viarail.ca/sites/all/files/media/pdfs/About_VIA/Code_ethics_complete_EN.pdf</a> Code of Ethics VIA Rail Canada

**SPECIFIC STANDARD DISCLOSURES**

ASPECT AND INDICATOR	SECTION / LOCATION	PAGE / SOURCE
<b>ECONOMIC</b>		
<b>Disclosure on Management Approach</b>		
G4-DMA Economic	Support Socio-Economic Development	21
<b>Economic Performance</b>		
G4-EC1 Direct economic value generated and distributed	Data Summary Table	50
<b>Market Presence</b>		
G4-EC6 Proportion of senior management hired from the local community	Support Socio-Economic Development	22
<b>Indirect Economic Impacts</b>		
G4-EC7 Infrastructure investments and services supported	Support Socio-Economic Development	22-23
G4-EC8 Significant indirect economic impacts	Support Socio-Economic Development, Data Summary Table	22-23, 50
G4-EC9 Proportion of spending on local suppliers	Support Socio-Economic Development	22
<b>ENVIRONMENT</b>		
<b>Disclosure on Management Approach</b>		
G4-DMA Environmental	Reduce Our Impact on the Environment	33
<b>Energy</b>		
G4-EN5 Energy intensity	Reduce Our Impact on the Environment	34
G4-EN6 Reduction of energy consumption	Reduce Our Impact on the Environment	34
G4-EN7 Reductions in energy requirements of products and services	Reduce Our Impact on the Environment	34
<b>Emissions</b>		
G4-EN15 Direct Greenhouse Gas (GHG) Emissions (Scope 1)	Data Summary Table	50
G4-EN16 Energy indirect greenhouse gas (GHG) emissions (scope 2)	Data Summary Table	50
G4-EN18 Greenhouse gas (GHG) emissions intensity	Reduce Our Impact on the Environment, Data Summary Table	34, 50
G4-EN19 Reduction of greenhouse gas (GHG) emissions	Reduce Our Impact on the Environment, Data Summary Table	34, 50
G4-EN21 NOx SOx and other significant air emissions	Data Summary Table	50
<b>Supplier Environmental Assessment</b>		
G4-EN33 Significant actual and potential negative environmental impacts in the supply chain and actions taken	Reduce Our Impact on the Environment	34
<b>SOCIAL</b>		
<b>Disclosure on Management Approach</b>		
G4-DMA Employment	Be an Attractive Employer, Maintain the Public Trust	39, 47
<b>Employment</b>		
G4-LA1 Total number and rates of new employee hires and employee turnover	Data Summary Table	51
G4-LA2 Employee benefits	Be an Attractive Employer	40-41

ASPECT AND INDICATOR	SECTION / LOCATION	PAGE / SOURCE
<b>Occupational Health and Safety</b>		
G4-DMA Health and Safety	Operate Safely and Efficiently	27
G4-LA5 Formal joint management – worker health and safety committees	<a href="http://www.viarail.ca/sites/all/files/media/pdfs/sustainable_mobility_report_2015.pdf">www.viarail.ca/sites/all/files/media/pdfs/sustainable_mobility_report_2015.pdf</a>	2015 Sustainable Mobility Report, p. 26
G4-LA6 Injuries, diseases and fatalities	Data Summary Table	50
G4-LA7 Workers with high incidence or high risk of diseases related to their occupation	Be an Attractive Employer	41
<b>Training and Education</b>		
G4-LA9 Average hours of training per year per employee by employee category	Be an Attractive Employer, Data Summary Table	42-43, 51
G4-LA10 Skills management and lifelong learning	Be an Attractive Employer	42-43
<b>Diversity and Equal Opportunity</b>		
G4-LA12 Composition of governance bodies and breakdown of employees	Be an Attractive Employer, Maintain the Public Trust, Data Summary Table	40-41, 47, 51
<b>SOCIETY</b>		
<b>Disclosure on Management Approach</b>		
G4-DMA Society	Support Socio-Economic Development, Maintain the Public Trust	21, 47-49
<b>Local Communities</b>		
G4-SO2 Operations with significant actual and potential negative impacts on local communities	Support Socio-Economic Development	24-25
<b>PRODUCT RESPONSIBILITY</b>		
<b>Disclosure on Management Approach</b>		
G4-DMA Product responsibility	Provide the Best Customer Experience	15

# ABOUT THIS REPORT

## COMMUNICATING OUR PROGRESS

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



### YOUR FEEDBACK IS IMPORTANT TO US

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

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

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

### REPORTING SCOPE

The 2016 Sustainable Mobility Report is our second 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 2016 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 governance.

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) Guidelines G4 and its Transportation and Logistics Sector Supplement. Our GRI Index provides references to information sources on how our corporate disclosures align with the GRI requirements.

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

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

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

### THIRD PARTY ASSURANCE

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

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

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