

ABOUT THE SUSTAINABLE DEVELOPMENT REPORT 2010

The *Sustainable Development Report 2010* describes our actions in terms of environmental protection, social progress and economic development. In addition, it presents the progress we have made on the *Sustainable Development Action Plan 2007-2011*. The issues and actions laid out in the Report are linked to the Plan's 12 objectives, which are grouped under three main focus areas.

Sustainable Development Policy

In May 2010, the STM adopted its Corporate Policy on Sustainable Development. This policy outlines the principles and commitments related to the main sustainable development issues the company intends to tackle and includes an internal and external reporting obligation. Enacting such a policy is the most important commitment the STM can make, as this tool will help the company integrate the many aspects of sustainable development into all its regular activities and its development projects.

Interacting with Stakeholders

The STM cares deeply about making Montréal a city that is good to live in, where the air is clean and healthy. Regarded as a true source of inspiration, the company carries out promotional and collaborative activities to publicize the contribution that public transit makes to sustainable development. By working in partnership, we increase the efforts put into achieving lasting change. We partnered with stakeholders on a number of activities in 2010, including:

► We hosted the *Accessibilité universelle 2020* forum, where we met with the spokespeople of some 40 organizations representing women, senior citizens and people with various types of limitations. This consultation constituted a first step in drawing up our 10-year action plan covering universal accessibility of public transit.

► We began drafting our next Sustainable Development Action Plan for 2011–2020. The new Plan will be guided by the comments, suggestions and recommendations gathered in the consultation we held in fall 2009.

► The STM presented a brief at the public consultation on the taxi industry in Montréal. We pay close heed to taxi companies, as they are our most important partners in providing customer service.

► We filed a brief with the Québec government, covering the strategic role played by the STM and by public transit in the province's economic recovery and growth. The company supports the government's commitment, made at the Copenhagen Conference in 2009, to the effort to combat climate change. This commitment calls for a 20% reduction in GHG emissions generated within the province by 2020, compared with 1990.

Outstanding Public Transportation System Award

The STM was chosen by the American Public Transportation Association as the best public transportation system in its category in North America in 2010. It received this honour in recognition of its outstanding efficiency and effectiveness.

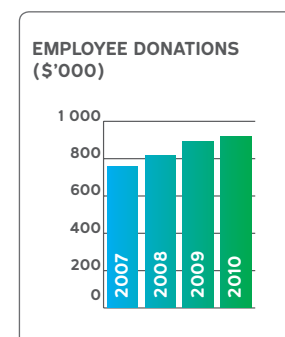


Area 3 – Promotion of Sustainable Development

Actions the STM performs or plans to ensure its sustainable development leadership and encourage its employees, customers and the general public to adopt increasingly responsible environmental, social and economic behaviours.

OBJECTIVE 10

Increase employee awareness of sustainable development



► The STM was awarded first prize by the American Public Transportation Association for its commitment to sustainable development. First place, Print Media category – Promotional Materials, for the Funambus, a promotional bus converted into an exhibition site, gathering place and tool for promoting environmental initiatives.

► We provided our managers with guidelines for taking sustainable development into account in drawing up their performance contracts.

► *Générosité 2010* campaign: our employees raised \$920,295 for a variety of organizations: Réchaud-bus, Centraide/United Way, the Red Cross, Partenairesanté-Québec, Fondation les petits trésors of the Hôpital Rivière-des-Prairies and Le Garde-Manger Pour Tous.

OBJECTIVE 11

Position the STM as a responsible, committed company

► Our corporate policy on sustainable development was posted online.

► We signed the Sustainable Development Charter of the International Association of Public Transport (UITP).

► The STM received the MetroRail Special Merit Award for Commitment to the Environment for its leadership in sustainable development and its strategy for obtaining recognition of the use of public transit as a significant gesture in support of the environment.

► The *Sustainable Development Report 2008* was ranked fifth in the world, in the Best 1st Time Report category, by CorporateRegister.com.



► Social-media presence: service disruptions lasting more than 20 minutes were announced on Twitter, Facebook, the Web and the AUTOBUS telephone system.

OBJECTIVE 12

Work in partnership with others to demonstrate the environmental, social and economic contribution of public transit and create strategic alliances

► We partnered with 77 events: 21 high-traffic events, 17 environmental events and 39 "grass-roots" events.

► The STM took part in a campaign to promote public transit, called *Faire ses courses en métro et en bus rapporte plus*, in collaboration with nearly 300 businesses.

► We joined forces with Brasserie Labatt to reduce drinking and driving by promoting the night bus network.

► For Earth Day, the STM invited customers holding valid transit fares to bring along a friend of their choice on the bus and metro networks, free of charge, for the entire day of April 22.

► In conjunction with the Montréal Bike Fest and, more specifically, the Tour de l'Île, we welcomed event participants on the metro, with their bikes. Our partnership with Vélo Québec is now 26 years old.

► We supported the Mobility Research Chair at Montréal's École Polytechnique.



FSC position - 80% grey

Printed with vegetable-based ink on EcoLogo-certified paper made in Québec, using biogas, from FSC-certified 100% postconsumer fibre de-inked without chlorine.

Complete version of the *Sustainable Development Report 2010*, available online only: www.stm.info/English/en-bref/a-rdd2010.pdf

Comments or suggestions: dd@stm.info

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Division Développement durable, direction principale
Planification stratégique

Cette publication est disponible en français.



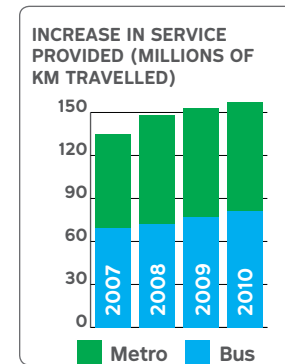
SUSTAINABLE DEVELOPMENT HIGHLIGHTS 2010

Area 1 – Sustainable Mobility

Current or planned actions that are intended to improve people's mobility by offering optimized public transit services, to contribute to the development of the Montréal community and to improve the environment and quality of life.

OBJECTIVE 1

Contribute to the fight against global warming and to improving the environment and quality of life



► In 2010, annual trips (bus and metro combined) rose 1.5%, to a total of 389 million. Correspondingly, some 510,000 tonnes of GHG emissions were avoided throughout the island of Montréal.

► Public Transit Service Improvement Program: with one year to go, we have reached 87.5% of our objective. Since 2006, ridership has increased 7%, out of a target of 8% by 2011.

► We launched the 10 Minutes Max network on our 31 busiest bus routes.

► Phase I of the program to synchronize bus and commuter train schedules started up.

► We introduced the 747 Express bus, serving Montréal-Trudeau airport; more than 2,900 people, on average, are taking this bus every day.

► Navette Or shuttles for seniors increased from 7 to 10.

► Some 700 bicycle stands were added next to metro stations.

OBJECTIVE 2

Apply universal accessibility measures

► Paratransit use grew 10.1%, to a total of 2.7 million trips.

► Transit-customer satisfaction climbed to 94%—a new high.

► The STM is the only Québec transit corporation with a universal accessibility development plan (2007–2011) approved by the province's Ministère des Transports.



► 90% (versus 79% in 2009) of our low-floor buses are now equipped with a front ramp, allowing a person in a wheelchair or with a stroller to board easily.

► We hosted the Accessibilité universelle 2020 forum, where we met with the spokespeople of some 40 organizations to determine their needs and integrate them into our development projects.

► Elevators were added at two metro stations; eight stations on the Orange line now have this equipment.

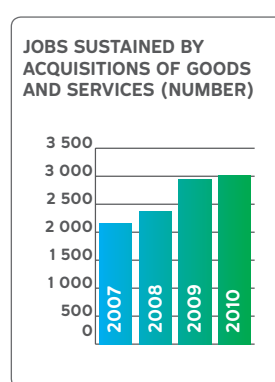
OBJECTIVE 3

Contribute to economic vitality at the local, regional and provincial levels

► We acquired goods and services worth \$740 million, 57% of which went to Québec companies.

► This procurement supported 3,838 jobs, bringing the total number of jobs sustained to more than 12,800.

► We maintained our credit ratings with Standard & Poor's (A+) and Moody's (Aa2).



OBJECTIVE 4

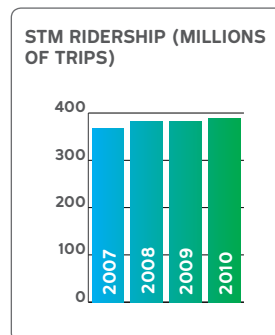
Influence urban planning and management to better integrate public transit

► Our involvement in drawing up the Ville de Montréal urban development plan gave us an opportunity to highlight the benefits of public transit.

► Bus lanes with preferential measures—priority traffic lights and reserved lanes—were expanded to 101 km.

► We submitted a brief on the project to redevelop the Bonaventure Expressway, proposing preferential measures for buses.

► With the American Public Transportation Association, we conducted a safety audit on the plan to re-establish a reserved lane on Boulevard Pie-IX.

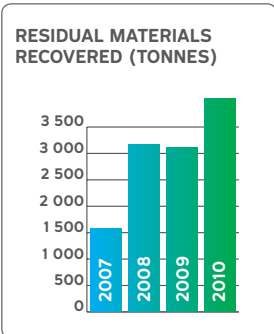


Area 2 – Sustainable Management

Actions the STM carries out or intends to carry out in order to conduct all of its activities responsibly, taking their environmental, social and economic impacts into account.

OBJECTIVE 5

Manage environmental impacts



► In 2010, the proportion of the bus fleet equipped with an anti-spill fuel supply system increased from 76% to 88%.

► We recovered 4,048 tonnes of residual non-hazardous materials, twice as much as in 2006.

► Quantities of residual hazardous materials recovered are up 5% compared with 2006, due to expanded operations.

► We were issued five non-compliance notices, versus none in 2009, for exceeding an effluent discharge standard, for a smoke plume from a building's chimney and for regulatory diesel-tank inspections that were incomplete at the time a temporary operating permit was issued.

► Emissions of the airborne contaminants (CO₂, VOC, NO_x, SO₂) generated by our vehicles have risen since 2006. CO₂ emissions are up 5%; VOC, 7%; NO_x, SO₂ and particulate matter, 11%. The reason: 7% growth in bus service in 2010.



OBJECTIVE 6

Improve the energy efficiency of our assets

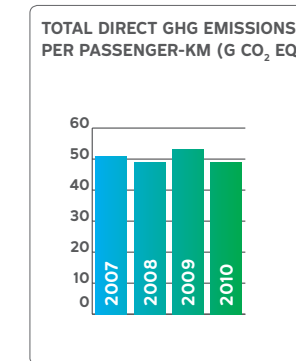
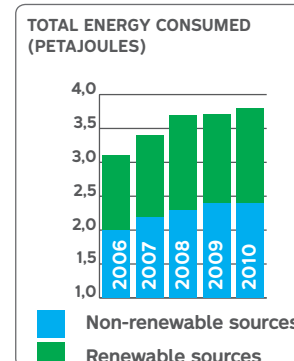
► Relative to 2006, ridership has increased 7% and GHG emissions per passenger-kilometre have decreased from 52 g to 49 g.

► Biodiesel use enabled us to cut GHG emissions (CO₂ eq.) by 4,275 tonnes.

► We continued our study on reducing GHG emissions from our eight hybrid (diesel-electric) buses.

► As many as 140 articulated buses were in operation on the busiest arteries in the transportation network, versus 22 in 2009—a sixfold increase. An articulated bus can carry 75 passengers, on average, compared with 55 passengers for a standard bus.

► We added 1 km to our network of routes with priority traffic lights and reserved bus lanes. These preferential measures can increase average bus speed by 15% to 30% and significantly reduce GHG emissions.



OBJECTIVE 7

Practise sustainable procurement

► We continued to work with the Espace québécois de concertation sur les pratiques d'approvisionnement responsable.

► Progress was made in developing a responsible procurement guideline and guides for employees and suppliers.

OBJECTIVE 8

Plan, design and carry out projects while taking their environmental, social and economic impacts into account

► We drew up a grid comprising the overall criteria related to the environment, society and the economy. The objective: to measure the extent to which sustainable development is integrated into our projects and determine whether all components of sustainable development are included.

► The STM received the 2010 Award of Merit / Government from the Canadian Society of Value Analysis, for its project portfolio management.

OBJECTIVE 9

Aim for recognition of the STM as an employer of choice, both by its employees and by job seekers

► We participated in more than 30 job fairs targeting young people, Aboriginals and people with functional limitations.

► The company hired more than 1,000 new employees and welcomed 150 interns.

► The work-related accident frequency dropped 9% (36% compared with 2006), as a result of workplace health and safety initiatives.

► The employee mobilization index showed spectacular improvement: 27 points relative to 2006.

► We initiated information sessions for maintenance employees on the subject of harassment prevention.

