



SUSTAINABLE MOBILITY REPORT **2015**

LAYING THE GROUNDWORK
FOR THE GENERATIONS TO COME

TRAVELLING BETTER TOGETHER



Our journey towards a more sustainable future for Canada is about providing a smarter way to move people, enabling economic prosperity, improving quality of life, and being environmentally responsible.

As one of the most sustainable mobility options in Canada, we are proud of the value we create for Canadians through our focus on providing the best customer experience, supporting socio-economic development, operating safely and efficiently, reducing our impact on the environment, being an employer of choice and maintaining the public trust.

INSIDE THIS REPORT

- 01 2015 Highlights
- 02 Message from the President and CEO
- 04 Our Business
- 06 Benefits of Passenger Rail
- 08 Pillars and Priorities
- 10 Our Strategic Roadmap
- 12 Provide the Best Customer Experience
- 18 Support Socio-Economic Development
- 24 Operate Safely and Efficiently
- 30 Reduce Our Impact on the Environment
- 36 Be an Employer of Choice
- 42 Maintain the Public Trust

- 46 Data Summary Table
- 48 GRI Index
- 52 About this Report

NUMBER OF PASSENGER TRIPS

3.8M



total trips taken, and a 0.34% increase in ridership in inter-city travel with 3.5 million passengers

NET PROMOTER SCORE (NPS)

38.3



reflecting the strong satisfaction our customers have with our service along the Québec City-Windsor corridor

CAPITAL INVESTMENT IN SAFETY AND EFFICIENCY

\$73.7M



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

ACCIDENT FREQUENCY
per 200,000 hours worked

-31%



reduction in the number of workplace accidents since 2011

GHG EMISSIONS INTENSITY
kgCO₂ per passenger-kilometre

-25%



reduction in greenhouse gas emissions since 2009 as a result of our fleet renewal, upgraded technologies and better train handling

AVERAGE HOURS OF TRAINING
per employee

33.9



hours of training were given to employees including in-class and e-learning



Above:
VIA Rail's *Canadian* train
travelling from
Toronto – Vancouver

MAKING SUSTAINABLE MOBILITY REAL



YVES DESJARDINS-SICILIANO
President and Chief Executive Officer



2015 RECOGNITION HIGHLIGHTS

Canada Safety Award

The Railway Association of Canada recognized our Enterprise Risk Management Policy and Framework that proactively addresses enterprise risks, including safety.

International Recognition in Risk Management

Denis Lavoie, Director of Enterprise Risk Management at VIA Rail, was shortlisted as finalist in the Institute of Risk Management's 2015 Global Risk Awards in the category of Risk Management Newcomer of the Year.

2015 Preservation Award for Winnipeg's Union Station

Heritage Winnipeg recognized us for our work and vision to preserve its historic Winnipeg Union Station built in 1911, including restoring the historic rotunda and enhancement of the passenger area.

I am pleased to introduce VIA Rail's first Sustainable Mobility Report, whose theme "Laying the Groundwork for the Generations to Come" reflects how we view our role in shaping Canada's evolution towards a more sustainable future.

Over the past 12 months, two important developments reinforced the global commitment towards a more prosperous, equitable and sustainable world.

The first was the launch of 17 UN Sustainable Goals to end poverty, fight inequality and injustice, and fix climate change. The second was the COP 21 talks in Paris that resulted in a global consensus for action on climate change.

Inspired by these developments, we are even more convinced of the role that passenger rail can play as the smarter option in supporting healthier communities, facilitating an efficient economy, and helping Canadians transition towards a lower carbon economy.

However, we can only play our part by being good at what we do – this means integrating a sustainability mindset into all aspects of our business.

Our Achievements

For us, 2015 was a dynamic and engaging year. In the days leading up to the COP 21 meetings, we joined 65 members of the International Union of Railways (UIC) in Paris to pledge our commitment to reduce our carbon footprint and support a shift towards more sustainable transportation.

This commitment is not new for us. In addition to actively promoting the environmental benefits of rail, we also continue to improve the fuel efficiency of our rail locomotives. Since 2009, we reduced our greenhouse gas intensity by 25% due to innovative fleet upgrades, fuel efficient technologies and behavioural changes.

Our Safety Management System was upgraded in alignment with Federal regulations and leading industry standards, and we are

now working hard to further embed a strong safety culture in our people. In 2015, our investments in safety and efficiency projects was \$73.7 million.

Our focus on attracting talent continued to be top of mind – we successfully on-boarded 393 new hires, launched a new VIA Rail Leadership School and reached more than 65% of our employees through an engagement survey.

We also updated our Code of Business Conduct, vision, and core values to better reflect the changing needs of our organization.

Finally, we continued to support Canadian culture, youth and diversity programs, providing in-kind donations worth \$1,520,042 to more than 1,186 organizations.

Strategic Priorities

We are particularly proud of the progress we made in launching our 2020 Sustainable Mobility Strategy, which we based on six pillars:

- Providing the best customer experience
- Supporting socio-economic development
- Operating safely and efficiently
- Being an employer of choice
- Reducing our impact on the environment
- Maintaining the public trust

The structure of this report highlights the priorities within each of the pillars, our achievements and the objectives for the next five years.

Our Dedicated Path Forward

The first phase of our proposed dedicated tracks project along the busiest Toronto–Ottawa–Montréal corridor is an integral part of our 2020 Sustainable Mobility Strategy. The second phase would further link to Québec City, QC and London, ON.

We plan to run a new, more efficient fleet of trains on a high-frequency schedule, which would not only increase ridership, but also relieve congestion, reduce greenhouse gas emissions and toxic air contaminants, reduce a large part of the subsidy provided yearly to VIA Rail by the Government of Canada, and create thousands of jobs for Canadians.

As well, it would allow the re-design of the current frequencies operating on the shared environment to better meet regional needs for increased service.

Moving Ahead

The success of our sustainability strategies could not be achieved without the support and dedication of our 2,577 employees and our customers.

We are very pleased with the progress we have made on our strategic priorities. Nevertheless, significant opportunities remain, which we will actively pursue.

We look forward to the year ahead to ensure our strategy remains responsive to the ever changing global sustainability agenda, while enhancing the value we create for all our stakeholders.

COMMITTING TO CLIMATE CHANGE REDUCTION

OUR ALIGNMENT WITH THE INTERNATIONAL UNION OF RAILWAYS (UIC)

VIA Rail joined 65 members of the UIC to support international goals (COP 21) to limit climate change.

The UIC set global targets for the entire railway sector on energy consumption, CO₂ emissions and a shift towards more sustainable transport.

IUC GLOBAL TARGETS:

ENERGY CONSUMPTION (Baseline 1990)

- 50% reduction by 2030
- 60% reduction by 2050

VIA Rail Performance:

40% reduction

CARBON EMISSIONS (Baseline 1990)

- 50% reduction by 2030
- 75% reduction by 2050

VIA Rail Performance:

41% reduction

MODAL SHARE OF PASSENGER RAIL (Baseline 2010)

- 50% increase by 2030
- 100% increase by 2050

VIA Rail Performance:

Currently establishing a baseline

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 475 train departures weekly on a 12,500 km network, connecting over 400 Canadian communities. With approximately 2,600 active employees, VIA Rail carried 3.8 million passengers in 2015.

WHERE WE OPERATE



INTER-CITY TRAVEL (THE CORRIDOR)

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

LONG-DISTANCE TRAVEL AND TOURISM

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

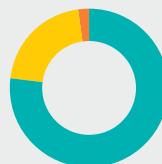
REGIONAL SERVICES

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

PASSENGER REVENUES PER TRAIN ROUTE

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

77%

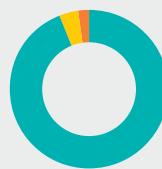


of passenger revenues are from inter-city travel (in the corridor)

PASSENGER TRIPS PER TRAIN ROUTE

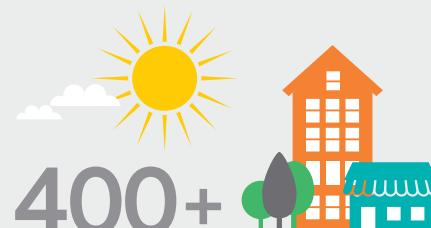
- 94% Inter-City Travel
- 4% Long-Distance
- 2% Regional

94%



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

COMMUNITIES SERVED



Our key assets reflect the breadth of our business, from our rail network 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.

RAIL

RAIL NETWORK

12,500 km



of which 98% is owned by railway partners (primarily CN and CP) and 2% by VIA Rail

PASSENGERS

PASSENGER TRIPS

3.8 million



KILOMETRES COVERED

1.3 billion



ON-TIME PERFORMANCE

71%



EMPLOYEES

ACTIVE EMPLOYEES AS OF THE END OF THE CALENDAR YEAR

2,577



EMPLOYEE DIVERSITY

34%



of our employee diversity is represented by women, 8.5% by visible minorities, 2% people with disabilities, and 2% Aboriginal People

FLEET

LOCOMOTIVES



73

of which 71% have been rebuilt for improved operational and environmental efficiency

TRAIN CARS (IN SERVICE)

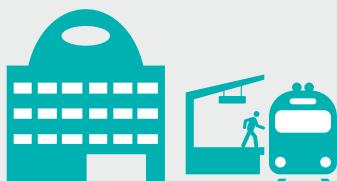
444



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

PASSENGER RAIL THE SMARTER OPTION

Passenger rail is an important part of the climate change solution for Canada. It provides an accessible and affordable alternative to cars and supports the necessary shift we need to make towards a more sustainable transportation system.

To stimulate the shift in getting Canadians to leave their cars at home and take the train, we must meet the needs of our passengers by providing a reliable service with more frequent and shorter trips. These needs can only be met through greater access to rail infrastructure, in areas where markets can justify dedicated passenger rail corridors.



CONNECTS PEOPLE AND COMMUNITIES

Millions of people rely on passenger rail to move safely, affordably and reliably across Canada. For smaller communities, passenger rail is often the only alternative to using the car.

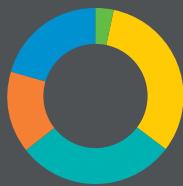
As part of our social fabric, rail enables people to access jobs, participate in the economic activities of other communities, and improve their social connections and quality of life.

VIA Rail connects over 400 communities along 12,500 kilometers of track, carrying 3.8 million passengers, of which almost 3.6 were moved in the densely populated areas of Ontario and Québec.

STATIONS ACROSS CANADA CONNECTING COMMUNITIES

Eastern	13
Québec	119
Ontario	109
Central	56
Western	76

373



SUPPORTS ECONOMIC GROWTH AND RELIEVES CONGESTION

The rail sector generates more than \$10 billion per year in revenues of which 95% comes from freight operations and 5% from commuter, inter-city and tourist passenger rail services.¹⁾

However, growing congestion and reliability issues continue to challenge Canada's shared railway infrastructure.

VIA Rail's first phase of the proposed dedicated tracks project estimates it would triple ridership, reduce annual car traffic in the Toronto-Ottawa-Montréal corridor by at least 5.5 million car trips, and contribute to the decongestion of mixed use freight and passenger rail infrastructure.

RAIL SECTOR'S CONTRIBUTION TO CANADA'S ECONOMY¹⁾

\$10B

ESTIMATED ANNUAL COST OF CONGESTION IN THE GREATER TORONTO AREA²⁾

\$6-11B

REDUCES GREENHOUSE GAS EMISSIONS

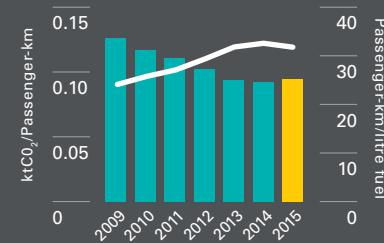
Passenger rail can help bring the transformational change required in Canada to reduce the transportation sector's contribution to climate change and smog.

In 2013, the transportation sector accounted for 23% of Canada's GHG emissions, of which 51% came from passenger road transport and a mere 0.07% from VIA Rail's passenger rail service.³⁾

Additional fleet renewals and technology upgrade opportunities also help make passenger rail an even more compelling alternative to taking the car. Since 2009, VIA Rail improved its overall fuel efficiency by 24%.

VIA RAIL'S FUEL EFFICIENCY

GHG Emissions Intensity vs. Fuel Improvement per Passenger-kilometre



Sources:

1) Transport Canada 2) C.D. Howe Institute 3) Environment Canada

SUSTAINABLE MOBILITY AT VIA RAIL

Sustainable mobility is an integral part of who we are and how we have always conducted our business. Six pillars underline what sustainable mobility means at VIA Rail. These pillars guide our vision to be a smarter way to move people – ensuring we manage operations efficiently, effectively and economically, while providing a safe, secure, reliable and environmentally sustainable rail passenger service.



"Ensuring VIA Rail integrates the value of sustainability benefits to drive Canada's sustainable mobility agenda forward is an important priority for us. This year, we developed our 2020 Sustainable Mobility Strategy, to guide our efforts. We look forward to continuing to communicate with you on the progress we are making."

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

Our Six Sustainability Pillars

- 1/ 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.
- 2/ 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.
- 3/ Operate safely and efficiently** by embedding a culture where safety is everyone's first and foremost concern.
- 4/ 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.
- 5/ Be an employer of choice** 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.
- 6/ Maintain the public trust** by ensuring transparency, accountability and integrity in everything we do, while engaging and consulting stakeholders on their viewpoints.

Ensuring Accountability for Sustainable Mobility

The Chief Legal & Risk Officer and Corporate Secretary, supported by the Executive Steering Committee, has been assigned primary responsibility for embedding our sustainable mobility philosophy throughout the organization.

This includes setting the strategy, providing oversight on its execution, and reviewing performance.

Performance against our strategy will be communicated to the President and Chief Executive Officer on a quarterly basis, and to the Board of Directors annually.

In 2016, we will be setting up a sustainability sub-committee with multi-functional representation to ensure the implementation of our 2020 Sustainable Mobility Strategy.

REFINING OUR PILLARS AND PRIORITIES

The priorities we have set for ourselves were created this year to help focus our efforts on the issues that matter most to our stakeholders and to define where we can create the greatest societal value.



2020 SUSTAINABLE MOBILITY STRATEGY

As we move forward on our path towards sustainable mobility, we have set longer term objectives that align with our corporate plans. While there is always room for improvement, we believe the goals we have set for ourselves will keep us on the right track.

PILLAR	PRIORITY	2015 ACHIEVEMENTS	2020 OBJECTIVES
PROVIDE THE BEST CUSTOMER EXPERIENCE	Accessibility and Affordability	<ul style="list-style-type: none"> Introduced and provided discounted fares to 1.4 million passengers, including military, new Canadians, seniors and students 	<ul style="list-style-type: none"> Offer incentives that promote the environmental benefits of passenger rail
	Sustainable Modes of Travel	<ul style="list-style-type: none"> Maintained sustainable mobility features at key stations, including pedestrian walkways, bike racks, and transit oriented developments 	<ul style="list-style-type: none"> Formalize sustainable mobility design criteria for new and existing stations
	Inter-modality Partnerships	<ul style="list-style-type: none"> Grew our inter-modality partnerships by 31% since 2011 	<ul style="list-style-type: none"> Increase partnerships to foster inter-modality and integrate sustainability in the sales strategy
SUPPORT SOCIO-ECONOMIC DEVELOPMENT	Fiscal Responsibility	<ul style="list-style-type: none"> Internally launched Vision 2020 to realign how we improve financial efficiency 	<ul style="list-style-type: none"> Integrate sustainable mobility into departmental and individual objectives
	Value for Money	<ul style="list-style-type: none"> Continued to assess the sustainability impacts of strategic investments, including our dedicated tracks project 	<ul style="list-style-type: none"> Formalize sustainability criteria into financial decisions and measure impacts of strategic investments
	Community Investment	<ul style="list-style-type: none"> Supported 225 Canadian communities with in-kind trip donations amounting to \$1,502,042 	<ul style="list-style-type: none"> Enhance our community strategy to align with our Sustainable Mobility goals and measure impacts
OPERATE SAFELY AND EFFICIENTLY	Railway Safety Culture and Management	<ul style="list-style-type: none"> Updated our SMS to meet federal requirements and industry standards Provided 33,681 hours of safety training 	<ul style="list-style-type: none"> Measure our safety culture and identify improvements
	Safety Performance	<ul style="list-style-type: none"> Reduced our occupational health and safety accident frequency rate per 200,000 hours worked by 31% since 2011 	<ul style="list-style-type: none"> Reduce train incidents and injury ratios to below industry averages
	Public Outreach	<ul style="list-style-type: none"> Reduced our crossing accidents by 56% and trespassing accidents by 18% when compared with 2014 	<ul style="list-style-type: none"> Continue to reach communities on VIA Rail's safety initiatives to promote railway safety near railroads

PILLAR	PRIORITY	2015 ACHIEVEMENTS	2020 OBJECTIVES
 REDUCE OUR IMPACT ON THE ENVIRONMENT	Environmental Benefits of Rail	<ul style="list-style-type: none"> Enabled Canadians to avoid 223,956 tonnes of carbon when compared to cars 	<ul style="list-style-type: none"> Promote VIA Rail as the smarter, greener travel choice with schools, businesses and government organizations
	Climate Change Mitigation and Adaptation	<ul style="list-style-type: none"> Pledged our climate change commitment as a UIC partner Reduced our GHG emissions by 25% when compared to 2009 	<ul style="list-style-type: none"> Reduce our GHG emissions by 20% by 2020 and 30% by 2030 when compared to 2005 Develop a climate risks and response plan
	Waste Management	<ul style="list-style-type: none"> Continued to encourage waste conservation and recycling practices on-board our trains, at our stations and in our buildings 	<ul style="list-style-type: none"> Divert 10% of our waste from landfills
	Sustainable Procurement	<ul style="list-style-type: none"> Continued to collaborate with third parties on greener products and services 	<ul style="list-style-type: none"> Develop and implement Green Procurement Guidelines
 BE AN EMPLOYER OF CHOICE	Attract and Develop Talent	<ul style="list-style-type: none"> Hired and successfully on-boarded 393 new employees Completed 70,911 hours of training for our people Established a new curriculum as part of the VIA Rail Leadership School 	<ul style="list-style-type: none"> Increase the internal and external talent pool Expand the VIA Rail Leadership School to all management and integrate sustainability content into training programs
	Diversity and Inclusion	<ul style="list-style-type: none"> Established a diversity and inclusion program and set up national and regional diversity committees 	<ul style="list-style-type: none"> Increase gender diversity to 30% for management positions Develop an Aboriginal People strategy
	Health and Well-being	<ul style="list-style-type: none"> Conducted health and wellness events across the company Increased employee attendance to 93.5% compared to 92.6% in 2014 	<ul style="list-style-type: none"> Implement five new initiatives related to the National Standards on Psychological Health in the Workplace Program
	Employee Engagement	<ul style="list-style-type: none"> Increased our employee engagement score by 5% when compared to 2011 	<ul style="list-style-type: none"> Strive for a 75% engagement score
 MAINTAIN THE PUBLIC TRUST	Core Values and Ethical Conduct	<ul style="list-style-type: none"> Re-launched the Code of Ethics and obtained a 99.9% employee attestation of compliance Refined our mission and core values 	<ul style="list-style-type: none"> Integrate a values-based culture in all aspects of the business, through training and communication programs
	Transparency and Communication	<ul style="list-style-type: none"> Actively engaged with a broad range of stakeholders and addressed requests for information Increased social media communications reaching 150,000 fans on Facebook and 38,000 Twitter followers 	<ul style="list-style-type: none"> Develop a stakeholder engagement and community consultation strategy Establish an external advisory panel to act as a sounding board on our 2020 Sustainable Mobility Strategy



**PROVIDE
THE BEST
CUSTOMER
EXPERIENCE**

EVERYTHING WE DO STARTS WITH OUR CUSTOMERS

VIA Rail's passenger transportation service connects more than 400 communities across Canada, through our inter-city, regional and transcontinental trains – enabling Canadians to reliably, comfortably and conveniently become more mobile, and reach their destinations in a safe and environmentally responsible way.

We believe that providing smarter ways to move people and making rail travel accessible and affordable will get more people to leave their cars at home and take the train, while enriching their experiences and promoting active lifestyles.

As the only national passenger rail service, we play an important role in achieving Canada's vision for a more sustainable transportation system that protects the environmental legacy of Canada for future generations.

2015 ACHIEVEMENTS

- Obtained a 38.8 Net Promoter Score and increased ridership by 0.47%
- Introduced the Commuter ePass and Bizpak affordable and flexible fare options
- Increased the passenger volume of inter-modality trips by 24%

2020 OBJECTIVES

- Offer incentives that promote the environmental benefits of passenger rail
- Formalize sustainable mobility design criteria for new and existing stations
- Increase partnerships to foster inter-modality and integrate sustainability in the sales strategy

Our Management Approach

Our aim at VIA Rail is to make the train the best travel option. We are focusing our efforts on listening to our customers to improve service, re-evaluating and optimizing our train schedules, and linking to other transport companies to create a seamless travel experience.

As the greener choice for travel, we not only generate less greenhouse gas emissions per passenger-kilometre than other transportation choices but also provide our customers with ways

to become more active through our accessible and affordable service.

We have dedicated customer teams leading transformational strategies across our business to increase ridership, grow revenues and strengthen the relevance of our services. Through our 2020 Vision, we refined our strategies to provide a compelling customer offering, while ensuring that our customers and the public are highly engaged.

HOW WE CREATE VALUE FOR OUR CUSTOMERS

Providing accessible and affordable mobility

Ensuring a safe and comfortable service

Enriching the Canadian experience

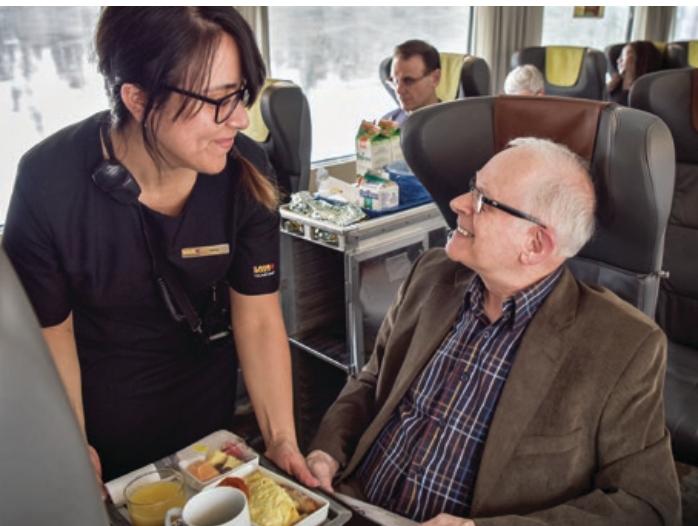


Connecting over 400 communities

Facilitating active lifestyles

Reducing GHG emissions and congestion

VIA Rail offers a vital, high value product that is appreciated by Canadians and enables all our passengers to enjoy a truly superior level of customer service.



SERVICE ACCESSIBILITY FOR THE YOUNG AT HEART

Expanding access to our services for all Canadians is a major focus for us – not only for people challenged by physical disabilities but also for the aging population. According to Statistics Canada one in seven Canadians today are aged 65 and over – a demographic that is expected to increase to one in four over the next twenty years. In anticipation of this trend, we are well positioned to increase ridership from an aging population who will likely prefer the comfort and convenience of the train to driving.



"For me it's really important that I enjoy the journey as much as I enjoy the destination. When I have to drive to a place like Toronto I arrive feeling rushed and a little bit crazy and chaotic, yet when I come in by train I've had a couple hours to sit and relax, read a book, ... it's a more peaceful way to start a couple of days of work."

WES

VIA Rail customer and participant in the new "Who's On Board" campaign

Offering Reliable, Secure and Affordable Travel

CUSTOMER SERVICE AND RELIABILITY

We continue to focus on providing superior customer service to keep passenger rail top of mind for individuals and family travellers. In 2015, our ridership continued to grow – due to customer service excellence, an increase in the number of train frequencies, and upgraded service offerings.

As well, we improved our customer e-communications and social media marketing tools, established new services for Business class, and

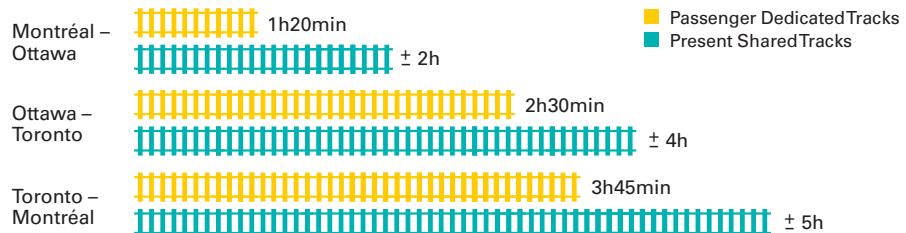
launched a comprehensive new "Who's On Board" campaign that leverages our customers' authentic and positive travel experiences.

SECURITY

Ensuring the security of our customers and staff is an integral part of our mandate. Our VIA Rail Police Service maintains an open and collaborative approach, while remaining under constant vigilance of potential security threats. In 2015, we continued to collaborate with other law enforcement agencies and intelligence services. We also ensure the public has access to a complaint resolution process.

PASSENGER DEDICATED TRACKS MEANS SHORTER TRIP TIMES

Average Passenger Trip Times



Passenger Dedicated Tracks
Present Shared Tracks

DISCOUNTED PACKAGES % of total passenger trips

Students	51%
Seniors	37%
Military	2%
New Canadians	1%
Other	9%



38%

of our passengers took advantage of our discounted packages, including 31,455 military and veteran passengers.

AFFORDABILITY

Providing Canadians with affordable passenger rail transportation services is a core element of the customer proposition. We are careful to balance the needs of low-income passengers with our own objectives to run a fiscally responsible business.

In 2015, we continued to execute our new automated fare system designed to optimize sales at the right prices.

In total, 1,437,903 passengers took advantage of our fare discounted packages, including military, new Canadians, seniors, and students.

Expanding Accessibility

We are committed to ensuring that all Canadians from all walks of life have access to a more efficient and cost effective mobility option irrespective of limitations.

In addition to providing services for regional and remote communities where alternative, year-round transportation is limited or unavailable, we also pride ourselves in offering services to passengers with reduced mobility or other special needs.

Over the years, we have made substantial improvements to our trains, stations and front-line services – ensuring Canadian passenger rail remains at the forefront of accessible transportation for travellers with mobility or other restrictions.

We have in place a 48 hour advance service notification so that our staff can take the necessary steps to make the trip as comfortable and pleasant as possible, including arrangements for wheelchair access, guide dogs, priority boarding, special meals or an escort. For more information on these programs, please visit our website at: www.viarail.ca/en/travel-info/special-needs/accessibility.

We also continue to strengthen our service communications on our website and follow strict wayfinding procedures at stations to ensure customers can easily plan their trips through improved signage, audio, and maps.



STRONG TIES WITH THE CANADIAN ARMED FORCES

In recognition of the men and women who devote their lives to serving Canada, VIA Rail offers a special discounted fare to the military community for their personal travel needs. This 25% discount on the best available train fare is offered to all members of the Canadian Armed Forces, veterans and their families. Since the launch of the promotion in 2010, 141,252 passengers took advantage of the military offer.



SUSTAINABLE MOBILITY OPTIONS AT BELLEVILLE STATION

The modernization of our Belleville Station a few years ago included substantial improvements to enhance the travel experience. Today, the station boasts improved passenger waiting areas and washrooms, an overhead footbridge structure with elevators and an island platform to enhance passenger safety and provide capacity for more trains and operational flexibility.

NUMBER OF INTER-MODAL PARTNERSHIPS

Airlines	10
Bus	4
Airport Shuttle	3
Rail (inter-city/commuter)	3
Car Rental	2
Taxi	1
Journey Planners	1



We have a diverse range of inter-modal options available to our passengers. In 2015, we partnered with many new companies further improving all aspects of travelling for the passenger.

Promote Sustainable Mobility at Our Stations

Over the years, we modernized our stations including the Cobourg, Belleville and Oshawa stations, and retrofitted facilities at other stations to make the entire travel experience more inviting and compelling.

These upgrades have resulted in:

- Improved accessibility, including wheelchair lifts, elevators and baggage handling equipment;
- More environmentally efficient technologies;
- Better amenities at our station through partnerships with restaurants, grocery stores, cafés, and other services;
- Options for sustainable travel, including pedestrian access, bike racks, and electric car plugs; and
- Protecting the integrity of stations designated as heritage properties.

Consulting Canadians on our upgrades and improvements continues to be an important part of our approach to better understanding and adapting to the changing needs of the communities we serve.

Partnerships Towards Sustainable Transportation

We are actively facilitating the move towards true sustainable mobility through inter-modal partnerships that represent levers to increase ridership on trains by providing passengers with a simplified and seamless travel experience. As a result, passengers are encouraged to leave their cars at home, which helps to further reduce the carbon footprint of transportation in Canada.

In 2012, we launched an ambitious program of partnership agreements with a range of carriers – air, bus and automobile – as well as other railways (AMT, GO Transit and the U.S-based Amtrak).



Above:
Extending our
inter-modal service with
Discount Car Rental's
kiosk in Ottawa.

FOSTERING INTER-MODALITY



"We are committed to playing a key role in fostering inter-modality. At VIA Rail, we view inter-modality as a key part of our strategy to make the train your best travel option by creating a seamless travel experience."

MARTIN R. LANDRY
Chief Commercial Officer

Our strategy to play a key role in fostering inter-modality enables us to tap into partnership opportunities that help us increase ridership on our trains and encourages more people to leave their cars at home. Inter-modality makes travel time more productive time, reduces fuel consumption overall, and reduces the carbon footprint of transportation in Canada.

Together with our partners – including motor coach lines, airlines, shuttle and commuter services, and travel agencies – we have joined forces to offer people a seamless travel experience between more destinations and departure cities.

In 2015, we continued to forge new inter-modal partnerships. For example, we partnered with UP Express (which links Toronto's Pearson International Airport to Union Station), extended our inter-modal service with Montréal's commuter train service, AMT, to include the line from Mascouche, Québec to Montréal's Central Station, and partnered with a Discount Car Rental in Ottawa to pilot their innovative kiosk technology project and test out door-to-door mobility solutions. In 2016, we intend to extend the kiosk technology to other stations.

INCREASE IN INTER-MODAL RIDERSHIP



SINCE 2012:

Increase in passenger volume
from inter-modality

+24%

Carbon avoided from inter-modal
compared to car

16,508 million tCO₂e

?



SUPPORT SOCIO- ECONOMIC DEVELOPMENT

DEDICATED TO ENSURING EFFICIENT AND EFFECTIVE USE OF TAXPAYER FUNDS

As a Crown Corporation, we recognize our responsibility to be efficient and frugal with taxpayers' funds, and the important role we play in contributing to Canada's socio-economic prosperity.

In addition to providing communities access and connectivity to a sustainable transportation system, we create jobs, support local businesses, and promote Canadian culture and tourism by offering a unique way to experience Canada for Canadians and foreign tourists.

Ensuring value for money is a core tenet that guides us to make responsible business decisions. We apply a broad lens to our cost benefit analyses by integrating financial, economic, environmental, and social considerations into how we make strategic investment decisions. Our proposed dedicated tracks project is one way in which we can be more relevant and contribute to Canada's prosperity.

2015 ACHIEVEMENTS

- Conducted an internal exercise "Vision 2020" to improve financial efficiency
- Integrated sustainability assessments into strategic investment analyses, including the dedicated tracks project
- Supported 225 communities with in-kind trip donations equivalent to \$1,502,042

2020 OBJECTIVES

- Integrate sustainable mobility into departmental and individual objectives
- Formalize sustainability criteria into financial decisions and measure impacts of strategic investments
- Enhance our community strategy to align with our Sustainable Mobility goals and measure impacts

Our Management Approach

Our investment teams are focused on ensuring that tax dollars are invested in meaningful projects. When funds become available, we invest primarily in infrastructure for safety, reliability and on-time performance to improve revenues and lessen our dependence on government funding.

As part of our internal Vision 2020 exercise, we are refocusing the organization towards market-based business units that are more accountable for their own profit

and loss, which enable them to make value-add decisions on related revenues and expenses.

We are applying this new thinking to all aspects of the business to empower our people to be responsible for the value creation that VIA Rail provides to Canada.

HOW WE CREATE SOCIO-ECONOMIC VALUE



We believe that Canada's socio-economic prosperity is dependent on a well-developed, fluid, efficient and sustainable transportation system, where passenger rail makes up a large proportion of travel.

2015 VALUE CREATION

Jobs created

2,577

to support the delivery of
our service

Supplies purchased

\$315M

for purchased services,
materials and fuel

**In-kind travel credits
donated**

\$1.5M

to 1,186 organizations in
255 communities

Carbon avoided

223,956 tonnes

by travelling on VIA Rail
trains compared to travelling
by car



"We continued to make efforts to contain our operating deficit, while creating value for our stakeholders. Our objective is to become more effective by growing revenues and implementing the right cost containment measures."

A handwritten signature in blue ink that reads "Patricia Jasmin".

PATRICIA JASMIN
Chief Financial Officer

Ensuring Value for Money

As the only national passenger rail service, we play an integral role in supporting an increasingly mobile and connected population. In 2015, we moved almost 3.8 million people and reached more than 400 communities within Canada, including regional and remote communities where alternative and affordable travel is limited or unavailable.

Through our service we contribute to economic growth, enrich the cultural experience of Canadians and foreign tourists, and operate one of the safest and most environmentally sustainable transport options.

Our direct contributions to Canada's economy takes various forms, including the wages we pay to our 2,577 employees, the in-kind trip credits we donated to more than 225 community groups annually, and the expenses we pay for the services of more than 2,500 suppliers, of which approximately 94% are Canadian-based companies.

Being Fiscally Responsible

Over the past year, we made significant efforts to contain our operating deficit and subsequent reliance on government funding.

Thanks to our superior customer service, we completed the year with higher revenues and more passengers, particularly within the Toronto-Ottawa-Montréal corridor where we generate more than half of our traffic.

Although we work hard to increase our passenger base, we cannot grow our ridership and reduce our operating deficit any further if we continue to function under the current constraints posed by a shared railway infrastructure.

In the long-term, the only way for VIA Rail to achieve financial self-sufficiency in the Toronto-Ottawa-Montréal corridor and reduce its dependence on government appropriations will be to invest in its own infrastructure and acquire its own tracks to operate more trains with shorter trip times.

ENSURING FINANCIAL EFFICIENCY: OUR VISION 2020

Over the past year, we realigned our strategic direction through an internal exercise called "Vision 2020." Vision 2020 involved re-thinking all facets of our business: how, where and when we operate our train services; where we locate and maintain our rolling stock; how we price and sell our services; what are the various product offerings and their value proposition to customers; how we communicate with employees, passengers, shareholders, and the general public; and, how we determine the true cost of our services, return on investments and use of our assets.

INVESTING SUSTAINABLY THROUGH THE DEDICATED TRACKS PROJECT



"Our dedicated tracks 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 will take cars off the road and decrease emissions."

A handwritten signature in blue ink that reads "Yves Desjardins-Siciliano".

YVES DESJARDINS-SICILIANO
President and CEO

THE CHALLENGE:

On-time service and congestion in the Québec City-Windsor corridor from sharing tracks with freight trains. Our train schedules and frequencies are also dependent on the access we are granted by the owners of the infrastructure.

THE SOLUTION:

Dedicated passenger tracks

We are proposing passenger rail tracks within the Québec City-Windsor corridor in two phases. The project initially targets the Toronto-Ottawa-Montréal Triangle, while a second phase would link Montréal and Québec City, as well as Toronto and London. In 2015, we increased ridership and revenue for eight out of 12 months, demonstrating the relevance of our trains within the corridor.

The proposed dedicated tracks are expected to:

- Relieve congestion, particularly in and out of major urban centres
- Boost economic development and benefits along the corridor
- Deliver a safer rail infrastructure and a more sustainable rail transportation system
- Maximize ridership and revenue potential of passenger routes where market demand warrants
- Reduce greenhouse gas emissions and air pollutants that contribute to climate change and smog
- Create a self-funding project that will significantly reduce government subsidies within the corridor
- Allow the re-design of the frequencies operating on the shared-track environment to better meet regional service needs

FORECASTED BENEFITS¹⁾

Reduce trip times by an average of

28%

Increase the number of trains daily by

3X

Improve on-time performance to

over 95%

Reduce annual inter-city car trips by

10%

Triple annual ridership to

6.8 million

Reduce greenhouse gas emissions by

10.8 million tCO₂e

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



APPRECIATING THE INUIT CULTURE

In early March, we contributed to the Inuit Tapiriit Kanatami Association's A Taste of the Arctic event held in Ottawa. The event showcased the Inuit culture and talented performers who demonstrated the modern connections and conservation of long-standing Inuit traditions that keep the Inuit culture alive and strong.

Left: The Inuvik Drummers and Dancers perform at the National Arts Centre in Ottawa



JOINING FORCES FOR MISSING CHILDREN

In 2015, the Missing Children Society of Canada and VIA Rail created a new partnership to champion CodeSearch – a new technology tool to help find missing children. Now, all VIA Rail employees will be on high alert and available to support missing children searches on our trains, train stations and around our offices.

Supporting Our Communities

We work with a variety of local, regional and national charity groups and non-profit organizations to support community activities, fundraisers and initiatives across the country through promotional in-kind travel credits. Our community strategy is focused on the following themes: youth, Canadian heritage and community and diversity.

In 2015, we contributed a value of \$1,520,042 of tickets to a total of 1,186 organizations in 255 communities across Canada. We also sourced most of our on-board products from local businesses, including a Winnipeg-based cooperative that produces the bread we serve, craft beers from Atlantic Canada, micro-breweries and Canadian wines.

YOUTH

We believe that the future of Canada will depend on the imagination and innovation of our children and grandchildren. This is why we support initiatives that encourage young Canadians to discover their country through learning, social involvement and civic responsibility. In 2015, we participated, and contributed up to \$193,045 in in-kind trips to youth programs and events, including

National WE Day, the Toronto Children's Breakfast Club and the YMCA Summer Work Exchange.

COMMUNITY AND DIVERSITY

We are committed to ensuring we provide services to meet the essential transportation needs of all Canadians. This is why we support organizations that connect and serve Canada's diverse communities. In 2015, we contributed approximately \$963,706 of in-kind contributions to organizations including those which supported Aboriginal People events as well as the 2015 Pan Am and Para Pan Am Games.

CANADIAN HERITAGE

VIA Rail is an institution with a rich Canadian history. As part of our commitment to promote Canada's heritage, we support organizations or groups that enhance the knowledge of our passengers about the country, its culture and/or its history. This includes introducing new Canadians to their country, promoting Canada's official languages and supporting Canadian military and veterans.



PROMOTING CANADIAN CULTURE

SUPPORTING CANADIAN MILITARY AND VETERANS

We actively support members of the Canadian military, veterans and their families by providing them with targeted discounted fare packages, contributing in-kind trip credits and attending events with several non-profit organizations.

In 2015, we supported the Vimy Foundation, the Canadian Armed Forces, the Annual Canadian Army Run, the Regiment des Fussiliers Mont Royal, the Royal Military College of St. Jean, and the Royal Canadian Legion.



Photo: Raymond Farand

Above: We partnered with The Royal Canadian Legion to present a poppy to all passengers who travelled on our trains during Veterans' Week to pay tribute to those who served our country with their lives.

Trips taken by military since 2010

141,000

ENCOURAGING CANADA'S OFFICIAL LANGUAGES

In our efforts to encourage both official languages in Canada, we supported 16 community group events including Franco-Fête, Théâtre Français de Toronto, Théâtre Cercle de Molière, the Morrin Centre, Centaur Theatre Company and the English Montréal School Board.

We also supported 24 professional writers for a book writing project with in-kind tickets on our *Ocean* train from Halifax to Toronto.

PARTNERING WITH NEW CANADIANS

Through an ongoing strategic partnership with the Institute for Canadian Citizenship, we continued to offer new citizens fare discounts on our trains.

Since the launch of the program in 2012, over 16,500 trips were taken by new citizens, 8,688 of which were taken in 2015.

Trips taken by new Canadians since 2012

over 16,500

3



OPERATE SAFELY AND EFFICIENTLY

SAFETY FIRST AND FOREMOST

Safety remains our number one priority. We place safety first and foremost in all that we do and recognize the responsibility we have to keep our passengers, employees, people who work on our behalf, and the general public safe in all aspects of our operations.

Nothing is more important to us than ensuring that our passengers arrive safely at their destination and that all our VIA Rail colleagues return home safely to their families and loved ones at the end of the day.

Our goal is to go from safe to safer by continuing to foster a strong safety culture that empowers all our employees, in every office, on every train and in every station to be a safety leader. We work to instill this same awareness in all Canadians, and remain committed to educating people and raising awareness on public safety.

2015 ACHIEVEMENTS

- Reduced our occupational health and safety accident frequency rate per 200,000 hours worked by 31% since 2011
- Provided 33,681 hours of safety training
- Successfully updated our SMS to comply and, where feasible, go beyond Federal Regulations

2020 OBJECTIVES

- Measure our safety culture and identify improvements
- Reduce train incidents and injury ratios to below industry averages
- Continue to reach communities on VIA Rail's safety initiatives to promote railway safety near railroads

Our Management Approach

Anchored by our internal safety policy is a well-established safety management system (SMS) that provides us with the processes to systematically embed safety into our day-to-day operations.

The SMS confirms we have procedures and processes in place to identify, mitigate and monitor risks, report and log incidents, and ensure corrective and preventive actions are taken.

We conduct internal and external SMS audits on an ongoing basis to affirm adherence to the highest standards of safety.

Responsibility for the implementation of the SMS is assigned to our Accountable Executive, the Chief Transportation & Safety Officer, who reports to the President and CEO and to the VIA Rail Board of Directors.

HOW WE CREATE VALUE FOR OUR PEOPLE

Creating safer communities

Improving health

Enhancing productivity

Building trust

Enabling work-life balance

Supporting quality of life

We believe that operating with excellence in safety helps us protect and improve the quality of life of our customers, employees and the general public.



PROMOTING SAFE TRAIN HANDLING BEHAVIOURS

In 2015, we revamped and launched our two-week Locomotive Engineer Recertification Program with enriched content to promote safe train handling behaviours. Additional safety practices and an updated course entitled, "Consciousness in the Cabin" were added to our current program. The recertification course was designed to reinforce the knowledge and awareness of the Locomotive Engineers, building on our already strong safety culture. Events took place in Montréal, Toronto, Ottawa and Winnipeg.



"Strengthening our safety culture at all levels of the organization is how we can truly make a difference in our safety performance. It means better communication, on-the-job training and even greater accountability from each one of us."

A handwritten signature in blue ink that reads "Bruno Riendeau".

BRUNO RIENDEAU
Director,
Safety and Environment

Fostering a Strong Safety Culture

We continue to take important steps to foster a strong safety culture across our organization. This means empowering our employees at all levels to understand that safety is a group effort and everyone's responsibility.

In 2015, our two Health & Safety (H&S) Policy Committees and 22 H&S Committees, comprised of both management and unionized employees, continued to be actively involved in helping us identify safety concerns, establish remedial and preventive actions, and review our safety performance.

We also embedded our safety culture through ongoing investments in safety training and on-the-job peer reviews and rules compliance observations. In 2015, we conducted approximately 33,681 training hours on safety. We included safety-related objectives as part of our performance management programs and refreshed the safety content in most of our technical skills training and certification programs, including the Locomotive Engineer Recertification Program.

Improving Our SMS Processes and Performance

Our Safety Management System (SMS) provides the framework to implement our Safety Policy and to comply with the Railway Safety Act and Railway Safety Management System Regulations, as well as other applicable rules, regulations and best practices.

Our SMS includes the procedures, processes and responsibilities for safe railway operations. In 2015, we strengthened our SMS to align with the requirements of the new SMS regulations under the Railway Safety Act that were put into effect by Transport Canada.

As a result of our efforts, we continue to make important progress on our safety performance. In 2015, we reduced our occupational health and safety accident frequency rate per 200,000 hours worked by 31% since 2011.

We are also working hard at reducing our train incidents, which in 2015 were mainly due to rail yard derailments.

ACCIDENT FREQUENCY RATE
per 200,000 hours worked



31%
reduction since 2011

TRAIN INCIDENT RATIO¹⁾
per million train miles

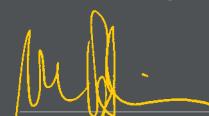


1) Includes rail yard collisions, mainline collisions, derailments with at least one wheel off the track, all cardinal rule violations; excludes crossing accidents and trespassing.

UPGRADING OUR SAFETY MANAGEMENT SYSTEM



"We are committed to going above and beyond compliance with the Transport Canada regulations, and maintaining open lines of communication with them so that we can further improve our safety management."



MARC BEAULIEU
Chief Transportation and Safety Officer

New Safety Management System (SMS) regulations under Transport Canada's Railway Safety Act have been in effect since April 1, 2015. To comply with the regulations, we undertook a major project in the first quarter of 2015 to upgrade our SMS. We designated our Chief Transportation and Safety Officer as the Accountable Executive and created an SMS Executive team to spearhead the project.

We called upon external experts to benchmark our SMS against leading practices within and outside the industry, and assembled Subject Matter Expert teams to ensure collaboration and consultation with employees, capitalizing on their expertise and knowledge to develop an effective SMS.

As a result of our efforts, we successfully addressed the recommendations from Transport Canada's 2014 SMS audit, and upgraded our SMS ahead of schedule.

The SMS updates enabled us to stay at the forefront of best safety management practices in the industry and to further strengthen how we engage our people on our preventive safety culture.

In 2016, we plan to continue to ensure the effective implementation of the SMS and will be conducting a third-party audit to assess compliance with the SMS.

Compliance establishing an SMS

100%

Hours of safety training

33,681



BARRHAVEN AREA CROSSING IMPROVEMENTS

Following a comprehensive review of a number of fail-safe activations at the railway crossing in Barrhaven, near Ottawa, we identified and acted on corrective and preventive actions to resolve the issues, including increasing inspections on signal components and installing a camera system and filters to reduce signal disruptions from interference.

132

corrective and preventive actions identified to address fail-safe activations at railway crossings in the Barrhaven area.

Upgrading Infrastructure and Ensuring Preventive Maintenance

We continued to improve our safety processes and practices through the introduction of new innovative technologies, including installing fail-safe train controls and safety devices on our locomotives, as well as developing a GPS train control system that will provide most of the benefits of the Positive Train Control technology being implemented in the United States, but at a fraction of the cost.

A number of infrastructure improvement projects were also completed across our network to ensure the safety and efficiency of our operations.

For example, in the Ottawa region, we installed a new siding, which is now in operation on the Beachburg subdivision between Ottawa and Fallowfield, allowing for more flexibility in managing train meets and providing much needed relief in the Barrhaven areas where crossings are frequent and close to one another.

We also completed the installation of the centralized traffic control system on all the infrastructure we own, helping us further prevent accidents and comply with Canadian Rail Operating Rules and operating instructions.

We reviewed the tools and processes used to maintain our aging rolling stock to improve performance and reliability at our Montréal and Toronto Maintenance Centres. Our equipment and infrastructure safety practices include:

- Standard visual inspections and brake tests before and after trips;
- Regular inspections of all rail infrastructure components;
- Ultrasonic testing and electronic track geometry tests;
- Yearly independent audits on the infrastructure High Risk Area Program;
- The closure of private crossings (more than 70 have been closed over the last two years); and
- Annual vegetation control programs.



IN-HOUSE GPS TRAIN SAFETY SYSTEM

We are proud to be developing a new train safety system using GPS tracking that will provide the same benefits as the Positive Train Control technology – the first of its kind in Canada. The system will enable our Locomotive Engineers to reduce the risk of human error by providing timely reminder alerts about rules, speed restrictions and slow orders, including the activation of penalty braking. In 2015, we successfully completed the first live road test of our GPS train safety system. Further development and testing of the system is expected in 2016.

Left: GPS train safety system information screen

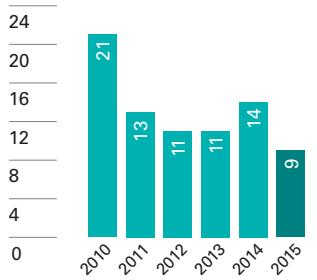


SAFETY AWARENESS

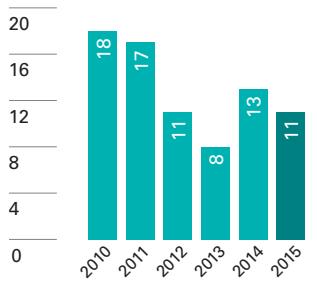
VIA Rail participated in the North American Occupational Safety and Health Week (NAOSH), which focused on the importance of preventing injury and illness in the workplace, at home and in the community. During the NAOSH week, our Health and Safety Committees held information sessions and conducted an internal survey about safety awareness. Events took place in Montréal, Toronto, Ottawa and Winnipeg. In addition, VIA Rail hosted an “open doors” event for passengers and the public at our station in Halifax, with over 6,000 people participating.

Left: Open doors event at our station in Halifax, Nova Scotia

CROSSING INCIDENTS



TRESPASSING INCIDENTS



Over the years, the number of crossing accidents and trespassing accidents has been declining. We are committed to continuing to partner with Operation Lifesaver and other infrastructure owners to bring these numbers down further.

Reaching Out to Communities

We recognize the important role we play to engage with the communities where we operate to educate and raise awareness on safety.

Most accidents involving trains occur when people trespass on rail property, or take unnecessary risks when crossing tracks. In our ongoing efforts to keep the public safe around the railway, we remain actively involved in a number of public education and awareness initiatives, including various Operation Lifesaver events.

For example, in 2015, as in past years, we were a major supporter of Operation Lifesaver’s Rail Safety Week and our people participated in various activities, including:

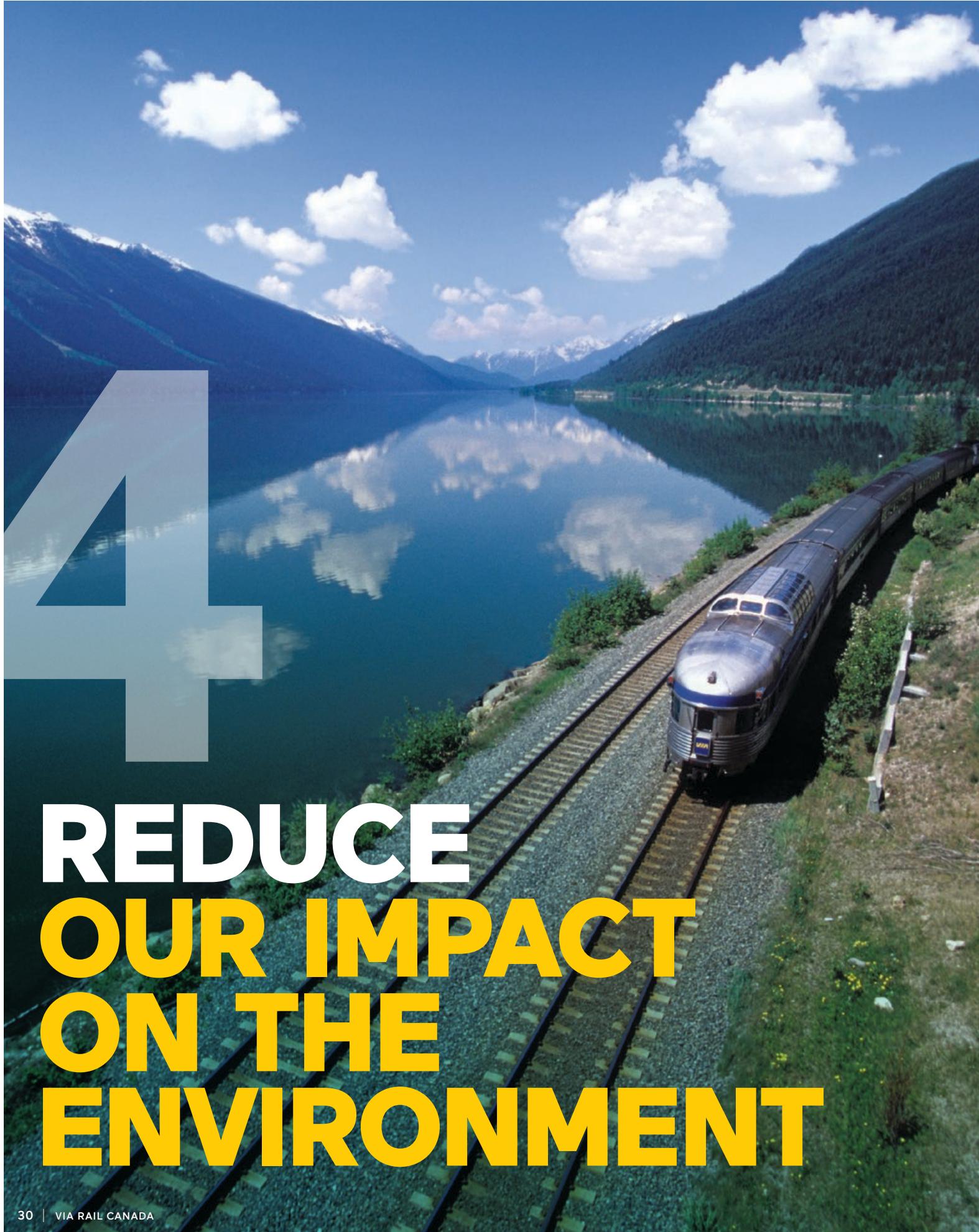
- Outreach to the Standing Committee on Transportation, Infrastructure and Communities as well as to local Members of Parliament;
- Hosting Rail Safety Days at our Halifax station;
- Making safety announcements onboard our trains; and

- Ensuring visibility through VIA Rail booths in stations and other community events.

We also participated in the Fergus Truck Show, one of the trucking industry’s premier events in North America. VIA Rail had an on-site employee present to meet with and inform truck drivers about safety around railways.



Above: VIA Rail Locomotive Engineer, Shawn Whaling was on site at the Fergus Truck Show sharing his insights with the many people who visited the Operation Lifesaver booth during the day.

A scenic landscape featuring a lake, mountains, and a train. A Via Rail train is traveling along a track that runs parallel to a calm lake. The lake reflects the surrounding snow-capped mountains and a blue sky with white clouds. The mountains are covered in dense green forests at their bases.

4

REDUCE OUR IMPACT ON THE ENVIRONMENT

PROTECTING THE ENVIRONMENTAL LEGACY OF FUTURE GENERATIONS

As Canada's only national passenger rail carrier, we are a proud provider of the most environmentally-friendly inter-city travel. We believe a shift towards travel by rail is an important part of the climate change solution that will help to minimize both the sector's impact on climate change and its contribution to deteriorating air quality.

More and more, our customers are turning to VIA Rail as a means of travel that is respectful of the environment, and offers the added benefits of accessibility, affordability, safety and comfort.

Despite the inherent environmental benefits of rail, we also work hard to reduce the impacts of our own operations by improving our fuel efficiency, using resources more efficiently and partnering with suppliers to encourage greener products and services.

2015 ACHIEVEMENTS

- Took the COP 21 Pledge to confirm our commitment to reducing our impact on climate change
- Avoided 223,956 tonnes of CO₂e by VIA Rail trains when compared to cars
- Reduced our GHG emissions by 25% since 2009

2020 OBJECTIVES

- Promote VIA Rail as the smarter, greener travel choice with schools, business and government organizations
- Reduce our GHG emissions by 20% by 2020 and 30% by 2030 when compared to 2005
- Develop a climate risks and response plan
- Divert 10% of our waste from landfills
- Develop and implement Green Procurement Guidelines

Our Management Approach

Our environmental policy guides our daily business operations to ensure we meet regulatory requirements, reduce fuel consumption and more efficiently manage waste.

Our commitment to preventing pollution and continuously improving our performance is undertaken through our Environmental Management System (EMS). The EMS is a corporate-wide framework for tracking, evaluating and communicating on our environmental performance.

Since 2001-2002, we successfully maintained an ISO 14001 EMS certification at our three largest maintenance facilities in Montréal, Toronto and Winnipeg.

Executive oversight for our EMS is assigned to the Chief Legal & Risk Officer and Corporate Secretary, and implemented by the Director, Safety and Environment. Senior management reviews of the EMS are undertaken annually, and updates are provided to the VIA Rail Board of Directors.

HOW WE CREATE VALUE FOR THE ENVIRONMENT

Mitigating climate change

Improving air quality

Supporting sustainable procurement

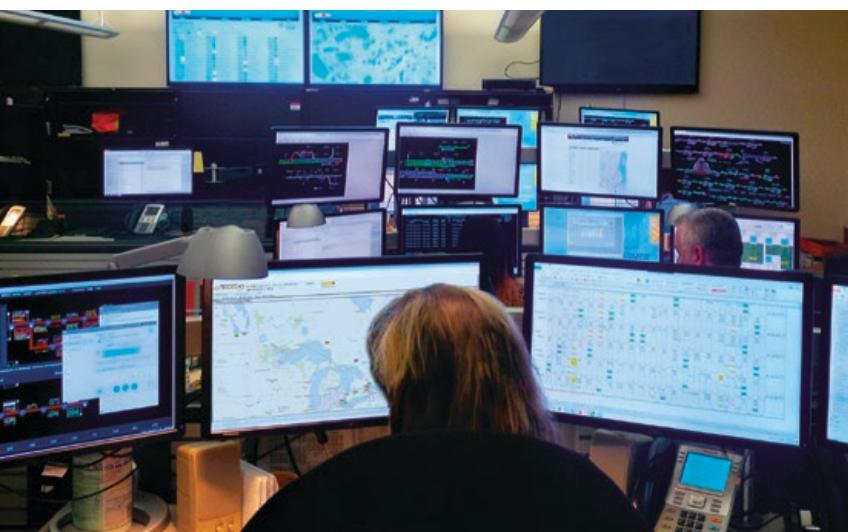
Protecting ecosystem health

Reducing urban congestion

Diverting waste from landfills



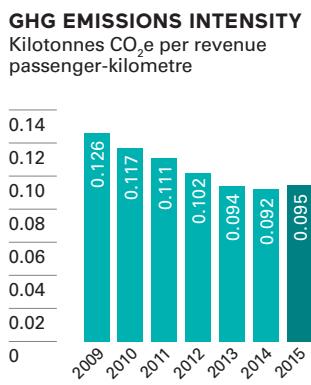
Passenger rail is an important part of the environmental solution for Canada – it helps to protect our environment, promote community well-being and contribute to economic and social progress.



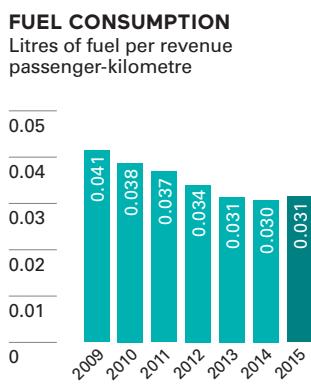
FUEL EFFICIENT IMPROVEMENTS FROM WI-TRONIX

Our recently installed Wi-tronix telemetry system has been instrumental in enabling us to gather data remotely on our trains. We can now use the data to better target improvements to fuel efficiency by reducing idling time and improving train handling practices.

Left: VIA Rail's Operation Control Centre



25%
reduction since 2009



24%
reduction since 2009

Reducing Emissions from Rail Operations

We work hard to embed our environmental values into all aspects of the business, particularly with respect to the way in which we maintain and operate our trains.

Of all our activities, fuel consumption is the largest source of GHG emissions for our business. In 2015, we continued to implement various strategies to reduce our energy and greenhouse gas impacts by improving our fuel efficiency.

For example, we introduced a new innovative telemetry Wi-tronix system to improve train handling behaviours and provided training for our Locomotive Engineers on ways to reduce train idling and improve fuel efficiency.

As a result of these initiatives, we continue to realize efficiencies. Overall we improved our fuel efficiency by 24% since 2009, representing a reduction in GHG emissions of 25% per passenger-kilometre.

Improving Energy Efficiency at Our Buildings

In addition to reducing the GHG emissions from locomotive fuel consumption, we also expend considerable efforts to improve the energy efficiency at our offices and operational buildings, including our stations and four maintenance centres – Montréal, Toronto, Winnipeg, and Vancouver.

Our energy conservation programs include ongoing upgrades and retrofits of equipment, technology and lighting. We also make every effort to integrate energy efficient technologies in new construction, where economically and technically feasible.

In 2015, we continued to retrofit our maintenance centres with LED lighting, and more efficient building technologies.



Above: An upgraded,
more fuel-efficient locomotive

IMPROVING OUR LOCOMOTIVE CARBON EFFICIENCY



"We are committed to continuing to put our efforts into improving VIA Rail's fuel efficiency, which we believe is key to managing and reducing our relatively small carbon footprint."

ROBERT ST-JEAN
Chief Capital Asset
Management Officer

Over the past few years, we made significant strides in reducing our overall fuel consumption.

Thanks to the almost \$1 billion investment by the Government of Canada in 2007, we allocated \$140 million to modernize our fleet through a complete overhaul of our locomotives and reorganization of the fleet to improve efficiency. We are now deploying in-house built and patented technology to assist our Locomotive Engineers in managing our fuel consumption even more.

As a result, we met or exceeded the rail industry, the Canadian and global commitments to GHG emission reductions ahead of schedule. In real terms, we reduced our overall fuel consumption (and consequently our GHG emissions) by 24% since 2009.

We are now exploring opportunities to further upgrade our fleet and develop dedicated passenger rail tracks within the Québec City-Windsor corridor, which are forecasted to improve fuel efficiency from a cleaner more efficient train service.

FORECASTED BENEFITS FROM FLEET RENEWAL:

Annual reduction in fuel consumption

5 million litres

Annual reduction in GHG emissions

12%

Extended life span of locomotives

15–20 years



108 tonnes

of renovation materials were diverted from landfill since 2013 by working with Green Standards – an organization that specializes in managing the redistribution of corporate interior assets through resale, recycling and donation.

Using Resources Efficiently and Minimizing Waste

Minimizing our waste and using resources efficiently helps us save money and do our part to protect our limited natural resources.

We work collaboratively with third parties to reduce the use of harmful products and services in favour of more environmentally sustainable products and services.

We also have in place a number of resource conservation programs designed to engage our employees to minimize the consumption of resources and the production of waste.

Where possible, we ensure our people apply the principles of reduce, reuse and recycle in the way in which we handle materials.

Encouraging Green Procurement Practices

Prior to undertaking work on our behalf, third parties are required to acknowledge their compliance with a range of ethical, social and environmental requirements.

Where third party suppliers have facilities in countries outside Canada, we ask for WRAP certifications or similar to ensure they comply with international standards on ethical, labour, health and safety, environmental and security principles.

When selecting third parties, we will include preferences for environmentally sustainable products depending on the nature of the product and/or services being sought.

For example, the procurement of environmentally sustainable products has included LED lighting for upgrades to our stations, the Green Standards organization for the recuperation/disposal of old office furniture, and local food retailers for sustainable and healthy food options for our trains.



RECYCLING WASTE ON-BOARD OUR TRAINS AND IN STATIONS

We have various programs in place to recycle waste from on-board our trains and in stations including paper and cardboard, aluminum cans, plastic glass bottles and batteries. For example, on our *Ocean* train to Halifax, the recycling materials are collected and sent to a depot. The proceeds from recycling are donated to various causes. We also donate old VIA Rail uniforms and linens from our trains to charities.



POSITIONING THE ENVIRONMENTAL BENEFITS OF RAIL

As the greener travel option, we recognize the important responsibility we have to inform people about the advantages of train travel. Many travellers are turning to VIA Rail as a means of travel that is respectful of the environment. This includes Canadians and tourists who are concerned with their personal environmental footprints, companies that wish to lower the carbon footprints associated with their transport, and Canadian society as a whole who are committed to reducing Canada's GHG emissions.

To promote the environmental benefits of passenger rail, we are taking important steps to educate and create awareness amongst Canadians.

We expend considerable efforts to position passenger rail as a lever to achieving our country's environmental goals by participating in discussions on government and industry association roundtables, and other educational venues.



Above: In 2015, our President and CEO represented VIA Rail at the National WE Day to an audience of 16,000 youths to promote passenger rail to our future leaders and talk about the role we all have in society to make choices that are good for the planet, such as transport sharing or taking the train instead of a car.

Carbon avoided in 2015 by VIA Rail trains compared to car travel

223,956 tonnes CO₂e

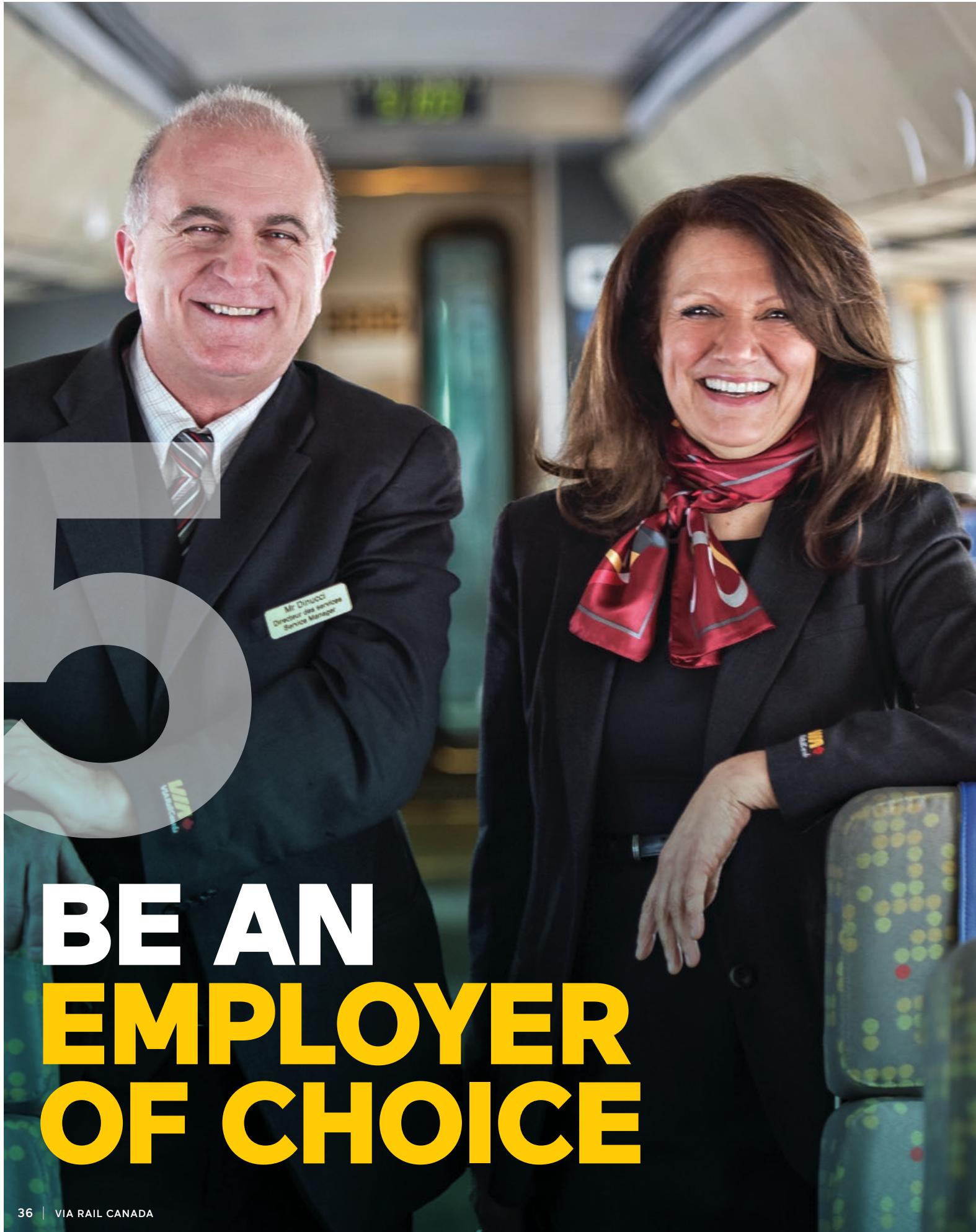
MEASURING THE IMPACT

Door-to-door g/CO₂e Emissions per Passenger-kilometre



In addition to having one of the lowest carbon footprints per passenger when compared to other transport modes, the train can accommodate increased ridership without significantly increasing its environmental footprint.

The above emission rates were taken from the Transcom, C. P. C. S. (2015). Comparison of Passenger Rail Energy Consumption with Competing Modes. These emission rates are based on door-to-door activity, taking into account entire trip length.



BE AN EMPLOYER OF CHOICE

OUR PEOPLE ARE THE HEART OF OUR BUSINESS

The 2,577 people we employ across Canada are the foundation of our success.

Be they our front-line employees, maintenance or administrative workers, management or specialized professionals – our people's dedication, talent, and passion have made us a company that is recognized for its customer service.

We also make substantial efforts to ensure our workforce is resilient and flexible in the face of change. Like many other companies in Canada, we too have an aging workforce. More than one-third of our employees are now over the age of 50. With these changing demographics, the next five years will be focused on attracting and developing a talented and diverse workforce that reflects the many communities of Canada, as well as retaining the employees we already have.

2015 ACHIEVEMENTS

- Successfully on-boarded 393 new hires
- Trained 83% of our employees, resulting in 70,911 training hours
- Achieved an employee attendance rate of 93.3%

2020 OBJECTIVES

- Increase gender diversity at management levels to 30%
- Develop and implement an Aboriginal People strategy
- Increase the internal and external talent pool
- Expand the VIA Rail Leadership School to all management and integrate sustainability content into training programs
- Implement five new initiatives related to the National Standards on Psychological Health in the Workplace Program
- Strive for a 75% employee engagement score

Our Management Approach

We are committed to being an employer of choice. Our strong set of values, performance-based culture and focus on talent development underpins the respect we have for our workforce. We strive to be a trusted, inclusive, and attractive employer to people from all backgrounds.

Our human resources team ensures we have people with the right skills to operate a safe, efficient and environmentally responsible passenger rail service for Canada. As part of our

strategy, we are providing our people with the tools to develop their skills and be successful both personally and professionally.

We review the progress we are making as a company and identify improvement opportunities through an employee engagement survey. Our performance is communicated to the Executive Team as well as the Human Resources Committee of the Board of Directors where relevant.

HOW WE CREATE VALUE FOR OUR PEOPLE

Providing competitive compensation

Developing skills

Providing rewarding careers

Encouraging innovation and creativity

Supporting work/life balance

Recognizing performance



Providing an inspiring workplace where people feel both proud of the company they work for and empowered to make a difference enables us to attract and retain the best talent.



ON-BOARDING A NEW GENERATION OF VIA RAIL EMPLOYEES

Our Welcome Aboard Program was launched in 2015 to ensure our new hires have the knowledge, tools and support to succeed within our organization. The program provides a structured approach for new employees to learn about our business, values, practices, resources and the activities among our different teams. In 2015, we attracted and successfully on-boarded 393 new people to our team.

AGE DIVERSITY

Under 30	544
31-40	738
41-50	717
51-60	1,100
61-70	245



40%

of our employees will be retiring over the next 5-10 years. Our recruitment strategy is helping us to scout talent ahead of time and prepare quality candidates to join our company.

Attracting and Retaining People

WELCOMING OUR NEW RECRUITS

We continued to focus our efforts on attracting new talent to replace our retiring employees and to fill positions for strategic projects.

Over the course of the year, approximately 393 people were hired for positions in our stations, onboard trains, in maintenance centres, and in management offices.

Our success was a reflection of the strong relationships we built with recruitment organizations, our participation at job fairs, and new selection tools to help us identify the best candidates from our internal and external applicant pools.

An important part of our attraction strategy is to hire Canadian Armed Forces personnel, reservists and veterans who are transitioning to civilian life. Their values, skills and competencies strongly align with the operational and management capabilities required to work at VIA Rail.

TRAINING AND DEVELOPMENT

Our ongoing investments in the development of our people at all levels of their careers underpins our ambition to be an employer of choice.

In addition to launching a new Welcome Aboard Program, we continued to train and develop our people across a broad range of professional development capabilities. We also revamped our two week recertification program for Locomotive Engineers with enriched content, while placing a stronger focus on human factors to improve vigilance that may intervene in train handling.

In 2015, our people completed 70,911 hours of training, with an average of 33.9 hours of training per employee.

PARTNERING WITH TRADE UNIONS

We engage through constructive dialogue with both our employees and their union representatives. Currently more than 80% of our workforce is unionized. In 2015, our engagement with the TCRC union, who represents our Locomotive Engineers, resulted in the ratification of a three-year agreement.

We also began discussions with the Unifor union who represents on-train, off-train and shopcraft employees on issues related to agility, flexibility, wages and benefits.

REWARDING AND RECOGNIZING PERFORMANCE

We aim to offer our employees consistent and fair reward across all the regions of Canada where we operate. In 2015, we refined our reward policy to drive excellence and high performance throughout VIA Rail, balancing short-term individual success with the achievement of VIA Rail's corporate objectives.



We also formally launched new Regional Distinction Awards to recognize employees for their efforts and the results they achieve in relation to our business strategy, our values and our corporate competencies.

In 2015, nearly 100 candidates' submissions were received and evaluated, and a total of 14 VIA Rail employees from across the company received Distinction Awards.

SUPPORTING CAREER DEVELOPMENT



"Our training and development programs are focused on grooming our new leaders and expanding their management skills to create a culture where people feel valued, supported and empowered to be successful."

A handwritten signature in black ink, appearing to read "Sonia Corriveau".

SONIA CORRIVEAU
Chief Business
Transformation Officer

Through skills training, career management and leadership programs we help our people gain the knowledge necessary to meet their career and professional development goals.

Between 2014 and 2015, we developed and launched a new talent management system to better understand our people's capabilities, skills and backgrounds. Once profiled, we will use the information to track their progression, develop talent and improve our internal hiring programs.

As part of our strong commitment to building the capabilities of our leaders and managers, we spent the better part of 2015 developing a VIA Rail Leadership School Program. The program is made up of 32 modules covering various leadership attributes of our business that will enable managers to develop their teams, promote our values-based culture and demonstrate strong leadership.

Number of training hours

70,911

% of employees trained

83%

Below:
Employees at a Leadership Development meeting



EMPLOYEE DIVERSITY

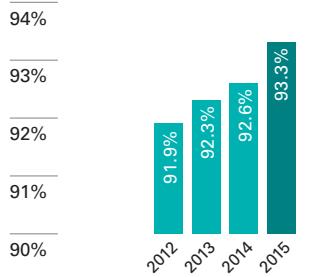
Men 66%
Women 34%



34%

of our workforce are women,
8.5% visible minorities,
2% people with disabilities,
and 2% Aboriginal People.

EMPLOYEE ATTENDANCE



Employee attendance continued to improve – a reflection of our ongoing focus on preventive wellness programs.

Embedding a Diverse and Inclusive Culture

Promoting a diverse workforce that reflects the many communities in which we operate and with whom we work across Canada is an important priority.

In 2015, we set up a new diversity and inclusion program to strengthen our approach to increasing representation from the four groups designated by the Government of Canada: women, people with disabilities, visible minorities and Aboriginal People.

The program is overseen by a national committee and supported by several regional diversity committees. In 2015, the committee members met regularly to share their knowledge and experience on the topic of diversity and inclusion in the workplace. They also played important roles acting as ambassadors and promoting our diversity programs throughout the company.

Promoting Employee Health and Well-being

Over the past year, we continued to strengthen our wellness programs on a broad range of topics. In Montréal, we launched a pilot to better understand the health profile of our employees so that our wellness programs target the health challenges that are most important for our workforce, including nutrition, fatigue management and work-related stress.

We improved our procedures for shift-trades to meet personal needs, initiated training for unionized and non-unionized employees on Mental Health First Aid, increased targeted mental health information access through our new LifeSpeak Library and launched a Mental Health Newsletter.

As a result, in 2015, we decreased the number of absences since 2010 in every category including sick days, personal days, lost time injuries, and unjustified leave. We also saw a drop in our WCB/CSST by over \$1 Million when compared to 2014.



ADDRESSING MENTAL HEALTH ON-BOARD OUR TRAINS

We have robust programs to address health and wellness on-board our trains. Our fatigue management plans ensure employees have appropriate hours of work and rest periods to optimize human performance and safety. Our Critical Incident Care Program provides much needed support for our employees recovering from post-traumatic stress.

In 2015, we launched a pilot project in Toronto for on-board employees to understand how we could promote better mental health. Following a confidential questionnaire which had a 70% response rate, our management teams are now working with employees to address their biggest challenges.



LISTENING TO OUR PEOPLE

Engaging our people on our values and strategy enables them to better understand how they can help us drive the business forward. In 2015, we continued our employee listening tours and reinstated our employee engagement survey. Through the survey, we ask our people how they view our leadership team, whether we are meeting our goal to be an employer of choice and how engaged they feel.

The employee engagement survey results were positive. An increasing number of employees took the time to share their views. Our response rate reached a record high of 65% of our employees compared to 58% in our last survey in 2011. The overall engagement score of our employees increased 5% and our trust index increased by 6% since our last survey.

Despite these results, we recognize that lots of work and change still needs to happen before our employee engagement can reach the level of the best Canadian companies.

In 2016, we will be working hard to implement new action plans based on the responses of the engagement survey and developed across all departments, while ensuring the involvement of our front line employees.

Employee survey participation

65%

Increase in engagement score

+5%

Increase in trust index score

+6%

A close-up photograph of a man and a young boy looking out of a window. The man is in the background, and the boy is in the foreground, wearing headphones. A large, semi-transparent graphic of the number '6' is overlaid on the left side of the image.

MAINTAIN THE PUBLIC TRUST

REINFORCING TRANSPARENCY, ACCOUNTABILITY AND INTEGRITY

Good governance, strong values and a commitment to transparent reporting and accountability guides the way we manage our company. Conducting our business with high standards of integrity enables us to operate ethically and build the trust and confidence of our stakeholders.

As a Crown Corporation and an active neighbour in the communities we serve, we are involved in many collaborative partnerships and engage with a broad range of stakeholder groups to understand the issues that are most important to them and to ensure that our decisions are in line with the needs of the people we serve.

Through our reports, speeches, and other media, including our blog, we inform the public of how we operate as a business. When requested, we are committed to making information relevant to our business readily available in a timely and responsible manner.

2015 ACHIEVEMENTS

- Refined our mission and core values
- Re-launched the Code of Ethics, which included our sustainability commitment
- Obtained a 99.9% employee attestation of compliance to the new Code of Ethics

2020 OBJECTIVES

- Integrate a values-based culture in all aspects of the business, through training and communication programs
- Develop a stakeholder engagement and community consultation strategy
- Establish an external advisory panel to act as a sounding board on our 2020 Sustainable Mobility Strategy

Our Management Approach

We have clear systems of governance to ensure accountability and risk management are embedded throughout the organization.

The overall strategic direction of the organization is set by our Board of Directors, who is appointed by the Governor-in-Council on the recommendation of the Minister of Transport. The Board reports on our operations to Parliament through the Minister of Transport, and is comprised of 11 Directors, 10 of whom are non-executive directors. In 2015,

50% of the Board were women. Four committees assist the Board in its oversight: the Audit and Finance Committee; the Governance Risk and Strategy Committee; the Pension Investment Committee; and the Human Resources Committee.

All members of the Board sign our Code of Ethics, reflecting the spirit and intent of the Accountability Act, which sets out standards of transparency and accountability for the officers and directors of Crown Corporations.

CREATING VALUE THROUGH TRANSPARENCY AND ACCOUNTABILITY

Strengthening relationships

Engaging stakeholders

Improving communication



Addressing issues proactively

Building trust and confidence

Gaining the social license to operate

Our commitment to transparency and accountability builds the trust and confidence of Canadians, and promotes understanding on issues of interest.



OUR ACTIONS AND DECISIONS ARE ON THE RIGHT TRACK

During our first quarter management meeting in 2015, Yves Desjardins-Siciliano, President and CEO, and the rest of the management team signed the Code of Ethics' adherence form. They took the opportunity to articulate their commitment to respecting the values of the Code and to adopting its exemplary behaviours.

Left: VIA Rail's management team

OUR CORE VALUES

Innovation We actively engage in new ideas, technologies or processes to challenge the status quo.

Agility We use diligence to leverage emerging trends and opportunities. We shift to anticipate and rapidly respond to change.

Know-how We continuously seek and deliver outstanding results.

Accountability We take ownership. We learn equally from our successes and failures and we enable progress and achievement. We act upon what is expected of us.

Integrity We maintain strongly held moral and ethical principles and behaviours.

Trust We provide what's needed to promote the daily growth and progress of our employees and their ideas.

Refining Our Mission and Values

Over the past year, we took stock of our business and re-evaluated who we are as a corporation. Following deep reflection and input from key departments, we revised our vision statement. "To be a smarter way to move people", our new vision, better reflects the transformation we need to make as an organization.

We also promoted the six core values that we feel underpin all that we do: innovation, agility, know-how, accountability, integrity and trust. These values are the compass we will use to guide our behaviour and decision-making processes.

Our focus on integrating a values-based culture within VIA Rail will enable us to increase our operational efficiency, transition our train operation model to better support customer centricity, create an entrepreneurial culture across the organization, and transform the organization to maximize the dedicated rail opportunity. In 2016, we will be firmly embedding our core values into all aspects of our business, including individual performance objectives.

Strengthening Our Ethics and Integrity

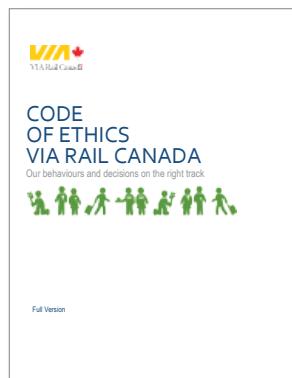
We are committed to conducting our business with the highest standards of ethics and integrity. Championed by our senior management team, we launched a new Code of Ethics in 2015 to bring our values to life, guiding us to:

- Promote the organization's values and the highest ethical practices;
- Raise awareness about the ethical issues we may face in our work;
- Encourage communication and dialogue to achieve a greater understanding of, and sensitivity to, ethical issues;
- Equip us to recognize the situations of concern and know the various support measures in place to address any questions or report any issues;
- Protect VIA Rail's good name and credibility, as well as our own as VIA Rail employees; and,
- Preserve the relationship of trust VIA Rail maintains with its customers and all its stakeholders.

As part of our process, all employees have access to whistleblowing mechanisms that they can use to get advice and to report suspected cases of misconduct—anonimously, if required.

The Code is available in both of Canada's official languages, and is accessible to all our employees and third parties working on our behalf, through the VIA Rail internet and intranet sites. All management and unionized employees are required to sign their commitment to the Code.

Targeted training was provided on the Code to all Senior Leadership Members composed of our Executive Team, our General Managers and our Senior Directors. In 2016, we will be resuming our ethical training as part of VIA Rail's Leadership School, and ensuring it is embedded into the new hire induction process.



Our updated Code of Ethics reflects our commitment to conduct our business with the highest standards of ethics and integrity. Available on our website at: www.viarail.ca/sites/all/files/media/pdfs/About_VIA/Code_ethics_complete_EN.pdf.

PROMOTING TRANSPARENCY THROUGH OPEN LINES OF COMMUNICATION



"The quality of our decision-making depends on the insights we get from our key stakeholders, including the communities we serve, our employees and the general public. Ensuring open dialogue and proactive engagement enables us to build trust, be customer-centric, and increase awareness of the issues that are important to Canadians."

A handwritten signature in black ink that reads "Marie-Anne Murat".

MARIE-ANNE MURAT
Senior Director,
Communications

We believe that openness and transparency are the starting points in building a relationship of trust with our customers, partners, and the public in general. Our objective is to continue to respond promptly, and with transparency to inquiries from the public, the media and all those interested in our operations.

We actively engage with a broad range of audiences to understand the views of our key stakeholders. Their feedback allows us to shape how we respond to the issues that matter most to them.

We reach out to our stakeholders through our participation in conferences, roundtables and regional initiatives, and through various business partnerships. We also participate in dialogue with trade unions, governments, suppliers and academia, and the communities through which our trains travel.

We make information about our business available through our website, our blog, and through VIA Rail's Facebook and Twitter accounts.

New requests received under the Access to Information Act and the Privacy Act

64

Fans on Facebook

150,000

Twitter followers

38,000

MEASURING PERFORMANCE

We are committed to reporting performance on our six sustainable mobility pillars. In the coming years, we will be continuing to improve the scope of our data to provide a more comprehensive lens on our sustainable mobility performance.

GRI / VIA RAIL INDICATOR	2015	2014	2013
CUSTOMER			
VIA Rail Passengers (in thousands)	3,818	3,800	3,891
VIA Rail Passenger miles (in millions)	822	808	832
G4-PR5 Customer satisfaction (Net Promoter Score)	38.8	NA	NA
VIA Rail On-time performance (%)	71	76	82
VIA Rail Passengers taking advantage of fare discounted packages (in thousands)	1,438	NA	NA
VIA Rail Inter-modality passengers (in thousands)	77	75	73
SOCIO-ECONOMIC			
G4-EC1 In-kind trip donations (\$)	1,502,042	NA	NA
G4-EC8 Total suppliers supported	2,500	NA	NA
G4-EC8 Local Canadian suppliers supported (%)	94	NA	NA
G4-EC8 Supplier expenses for purchased services, materials and fuel (\$ millions)	315	NA	NA
G4-EC1 Full-time equivalent employees to support the delivery of our service	2,694	2,608	2,662
SAFETY			
G4-LA6 Train incident ratio per million train miles ^{a)}	2.7	1.9	1.3
G4-LA6 Crossing incidents	9	14	11
G4-LA6 Trespassing incidents	11	13	8
G4-LA6 Accidents per 200,000 hours worked (frequency)	6.5	7.6	8.5
G4-LA6 Days lost per 200,000 hours worked (severity)	129.3	155.6	199.6
G4-LA6 Lost time incidents	151	172	196
ENVIRONMENT			
G4-EN18 Kilotonnes of CO ₂ e per revenue passenger-kilometre ^{b)}	0.095	0.092	0.094
GRI sector Litres of fuel per revenue passenger-kilometre	0.031	0.030	0.031
G4-EN10 Nitrous oxides (tonnes)	NA	NA	4.88
G4-EN10 Sulphur oxides (tonnes)	NA	NA	2.36
G4-EN10 Particulate matter (tonnes)	NA	NA	0.10
G4-EN10 Hydrocarbons (tonnes)	NA	NA	0.19
G4-EN10 Carbon monoxide (tonnes)	NA	NA	0.67

GRI / VIA RAIL INDICATOR		2015	2014	2013
EMPLOYEES				
G4-9	Number of active employees at the end of the calendar year	2,577	2,516	2,596
G4-11	Unionized employees (%)	81	82	83
G4-LA1	New hires	393	298	296
G4-LA1	Employee turnover rate (%)	11	11	11
G4-LA9	Average hours of training per employee	33.9	31.4	NA
VIA Rail	Attendance rate	93.3	92.6	92.3
G4-10	Female employees (%)	34	33	33
G4-LA12	Minority groups represented (%)	9	9	8
G4-LA12	Age group over 50 (%)	43	49	51
G4-LA12	Age group between 30-50 (%)	42	40	39
G4-LA12	Age group below 30 (%)	15	11	10
GOVERNANCE				
G4-38	Board directors	11	11	11
G4-38	Non-executive directors	10	10	10
G4-38	Female board directors (%)	50	50	50

a) Includes rail yard collisions, mainline collisions, derailments with at least one wheel off the track, and all cardinal rule violations. It excludes crossing accidents and trespassing accidents.

b) GHG emissions relates to scope 1 emissions from rail locomotives only. It includes CO₂, CH₄ and N₂O. 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 2012.

ALIGNING TO INTERNATIONAL STANDARDS

In compiling the content for our 2015 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.

General Standard Disclosures

INDICATOR	SECTION	PAGE
STRATEGY AND ANALYSIS		
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
ORGANIZATIONAL PROFILE		
G4-3	Name of the organization	About this Report 52
G4-4	Primary brands, products, and/or services	Our Business 4
G4-5	Location of organization's headquarters	About this Report 52
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, 47
G4-10	Size of the workforce	Data Summary Table 47
G4-11	Employees covered by collective bargaining agreements	Data Summary Table 47
G4-12	Organization's supply chain	Support Socio-Economic Development, Reduce Our Impact on the Environment 20, 34
G4-15	Externally developed economic, environmental and social initiatives	Provide the Best Customer Experience, Operate Safely and Efficiently, About this Report 16, 29, 52
G4-16	List memberships of associations	Support Socio-Economic Development 22
IDENTIFIED MATERIAL ASPECTS AND BOUNDARIES		
G4-17	Entities included in the organization's financial statements	Our Business 4
G4-18	Defining report content and aspect boundaries	Pillars and Priorities, About this Report 8-9, 52
G4-19	Material aspects identified	Pillars and Priorities 8-9
G4-20	Aspect boundary within the organization	Pillars and Priorities 8-9
STAKEHOLDER ENGAGEMENT		
G4-24	Stakeholder groups	Maintain the Public Trust 45
G4-27	Key topics and concerns raised through stakeholder engagement	Pillars and Priorities 9

INDICATOR	SECTION	PAGE
REPORT PROFILE		
G4-28 Reporting period	About this Report	52
G4-30 Reporting cycle	About this Report	52
G4-31 Contact point for questions	About this Report	52
G4-32 GRI Content Index	GRI Index	48
G4-33 Assurance	About this Report	52
GOVERNANCE		
G4-34 Governance structure	Maintain the Public Trust	43
G4-35 Process for delegating authority for economic, environmental and social topics	Pillars and Priorities	8
G4-36 Executive-level position on economic, environmental and social responsibility topics	Pillars and Priorities	8
G4-37 Consultation between stakeholders and highest governance body on economic, environmental and social topics	Pillars and Priorities	8
G4-38 Composition of the highest governance body and its committees	Maintain the Public Trust, Data Summary Table	43, 47
G4-39 Chair of the highest governance body is also an executive officer	Maintain the Public Trust	43
G4-40 Nomination and selection processes for the highest governance body	Maintain the Public Trust	43
G4-41 Processes for highest governance body to manage conflicts of interest	Maintain the Public Trust	43
G4-42 Highest governance body's and senior executives' roles	Maintain the Public Trust	43
G4-43 Measures to develop knowledge of economic, environmental and social topics	Maintain the Public Trust	45
G4-48 Highest committee formally reviews and approves the organization's sustainability report	Pillars and Priorities	8
G4-49 Communicating critical concerns to the highest governance body	Maintain the Public Trust	45
ETHICS AND INTEGRITY		
G4-56 Values, principles, standards and norms of behaviour	Maintain the Public Trust	43-45
G4-57 Mechanisms for seeking advice on ethical and behaviour	Maintain the Public Trust	45
G4-58 Mechanisms for reporting concerns about unethical or unlawful behaviour	Maintain the Public Trust	45

Specific Standard Disclosures

ASPECT AND INDICATOR	SECTION	PAGE
ECONOMIC		
Disclosure on Management Approach		
G4-DMA Economic	Support Socio-Economic Development	19
Economic Performance		
G4-EC1 Direct economic value generated and distributed	Data Summary Table	46
G4-EC2 Financial implications, risks and opportunities due to climate change	Support Socio-Economic Development	20-21
Market Presence		
G4-EC6 Proportion of senior management hired from the local community	Support Socio-Economic Development	20
Indirect Economic Impacts		
G4-EC7 Infrastructure investments and services supported	Support Socio-Economic Development	20-21
G4-EC8 Significant indirect economic impacts	Data Summary Table	46
G4-EC9 Proportion of spending on local suppliers	Support Socio-Economic Development	20
ENVIRONMENT		
Disclosure on Management Approach		
G4-DMA Environmental	Reduce Our Impact on the Environment	31
Energy		
G4-EN5 Energy intensity	Reduce Our Impact on the Environment	32
G4-EN6 Reduction of energy consumption	Reduce Our Impact on the Environment	32
G4-EN7 Reductions in energy requirements of products and services	Reduce Our Impact on the Environment	32
Emissions		
G4-EN18 Greenhouse gas (GHG) emissions intensity	Reduce Our Impact on the Environment	32-33
G4-EN19 Reduction of greenhouse gas (GHG) emissions	Reduce Our Impact on the Environment	32-33
G4-EN21 NOx SOx and other significant air emissions	Data Summary Table	46
Supplier Environmental Assessment		
G4-EN33 Significant actual and potential negative environmental impacts in the supply chain and actions taken	Reduce Our Impact on the Environment	32
SOCIAL		
Disclosure on Management Approach		
G4-DMA Employment	Be an Employer of Choice, Maintain the Public Trust	37, 42
Employment		
G4-LA1 Total number and rates of new employee hires and employee turnover	Data Summary Table	47
G4-LA2 Employee benefits	Be an Employer of Choice	38-39
Occupational Health and Safety		
G4-DMA Health and Safety	Operate Safely and Efficiently	25
G4-LA5 Formal joint management - worker health and safety committees	Operate Safely and Efficiently	26
G4-LA6 Injuries, diseases and fatalities	Data Summary Table	46

ASPECT AND INDICATOR		SECTION	PAGE
G4-LA7	Workers with high incidence or high risk of diseases related to their occupation	Be an Employer of Choice	40
G4-LA8	Health and safety topics covered in formal agreements with trade unions	Be an Employer of Choice	38
Training and Education			
G4-LA9	Average hours of training per year per employee by employee category	Be an Employer of Choice, Data Summary Table	37-39, 47
G4-LA10	Skills management and lifelong learning	Be an Employer of Choice	38-39
Diversity and Equal Opportunity			
G4-LA12	Composition of governance bodies and breakdown of employees	Be an Employer of Choice, Maintain the Public Trust, Data Summary Table	40, 43, 47
SOCIETY			
Disclosure on Management Approach			
G4-DMA	Society	Support Socio-Economic Development, Maintain the Public Trust	13, 43-45
Local Communities			
G4-SO2	Operations with significant actual and potential negative impacts on local communities	Support Socio-Economic Development	22
PRODUCT RESPONSIBILITY			
Disclosure on Management Approach			
G4-DMA	Product responsibility	Provide the Best Customer Experience	13
Product and Service Labeling			
G4-PR5	Results of surveys measuring customer satisfaction	Provide the Best Customer Experience, Data Summary Table	13, 46

REPORTING 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 OPINION 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 gain insights to ensure the information we are communicating is relevant.

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

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

sustainablemobility@viarail.ca

Reporting Scope

The 2015 Sustainable Mobility Report is our first 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 2015 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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