

SUSTAINABLE DEVELOPMENT
ROADMAP: 2013-2017.

A PROMISING ROAD AHEAD



CHOOSING A SUSTAINABLE ROAD

A DEMANDING ENERGY CONTEXT

All over the world, energy provisions remain a vital issue for billions of human beings. Individually and collectively, one of the major challenges at the start of this century is to integrate energy, environment, society and economy, as much here in Québec as elsewhere in the world.

PRIORITIZE OUR ENERGIES TO MAKE THE BEST CHOICES

No one form of energy alone can meet all our energy needs by satisfying economic imperatives and our environmental and social concerns at one and the same time. As a society, we therefore have to know how to capitalize on the advantages offered by different forms of energy and, in order to do so, we have to know how to use them best, based on final use.

For Gaz Métro, this means giving priority to energy efficiency and the energy savings it generates. It also means using the right energy in the right place, choosing natural gas instead of petroleum products whenever possible, and giving preference to renewable energies, used appropriately. And it requires a commitment to sustainable development. Gaz Métro therefore considers energy from a global perspective in order to serve better the local community.

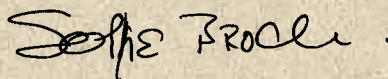
GROWTH BASED ON OUR EXPERIENCE AND EXPERTISE

Gaz Métro wants to be known as an avant-garde energy company. We have thus drawn on our recognized expertise and experience as a natural gas distributor in Québec and Vermont to continue to grow. That is what has brought us to be a leading energy player in Québec today, especially in wind power. That same vision has guided us in the acquisition of two of the largest electricity distributors in Vermont, where we are active in hydroelectricity and wind power. That vision is also guiding us in our drive to carve out a larger niche for natural gas as a fuel, replacing diesel, and our desire to facilitate the emergence of a renewable energy alternative: biomethane. These concrete actions are milestones on our energy road – a sustainable road, based on values of efficiency, respect and responsibility – deeply rooted values that guide us every day in acting as a good corporate citizen.

LISTEN, LEARN, ENGAGE, EXPLAIN

Our energy road is not only the result of our vision: it is also the result of a tradition, going back almost two decades, of consultation and engagement with our stakeholders: our customers, employees, partners, business partners, municipalities, and groups from civil society. As we follow this roadmap, we will explain where Gaz Métro is in terms of sustainable development and social responsibility and define our orientations for the 2013-2017 horizon. Lastly, the roadmap epitomizes our willingness to give account of our performance and to communicate our evolution and our contribution to a greener, more equitable, and more prosperous society in the future.

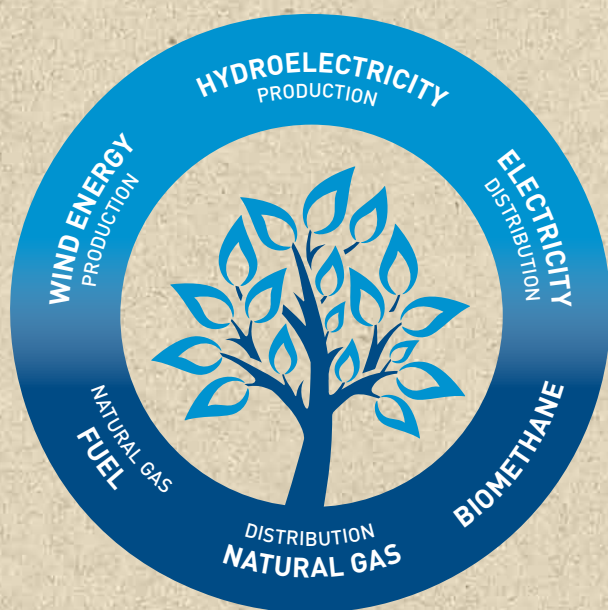
I trust you will find your reading enjoyable!



Sophie Brochu
President and Chief Executive Officer

GAZ MÉTRO

Figure 1.
Gaz Métro: From natural gas distributor to energeticist



CAPITALIZE ON THE ADVANTAGES OF NATURAL GAS TO GROW

With almost \$5 billion in assets, Gaz Métro is a leading energy provider. It is the largest natural gas distribution company in Québec, where its 10,000-km underground network of pipelines serves 300 municipalities and more than 185,000 customers. Gaz Métro is also present in Vermont, producing electricity and distributing electricity and natural gas to cater to the needs of its nearly 300,000 customers. Gaz Métro is actively involved in the development of innovative, sustainability-oriented energy projects such as the production of wind power, the use of natural gas as a transportation fuel and the development of biomethane as a renewable energy source. Gaz Métro is committed to ensuring the satisfaction of its customers, providing support to businesses, local organizations, families and communities, and meeting the needs of its partners (Gaz Métro inc. and Valener) and employees. www.gazmetro.com

EVOLVING IN A REGULATED ENVIRONMENT

In Québec, Gaz Métro's principal economic parameters are regulated by the *Régie de l'énergie*, established by the *Act Respecting the Régie de l'Énergie*. The legislation states that "... the Régie shall reconcile the public interest, consumer protection and the fair treatment of distributors. It shall promote the satisfaction of energy needs through sustainable development and with due regard for equity both on the individual and collective planes."¹ It therefore has the authority to approve the tariffs and conditions applicable to the distribution of natural gas, as well as procurement plans and the supply, transportation and storage of natural gas. The Régie thus oversees the activities of the distributor, determines its authorized rate of return on equity, and examines complaints from consumers.

GROWING WITH OUR STAKEHOLDERS

The involvement of stakeholders is essential to the company's success. Naturally, Gaz Métro maintains a strong link with some of them during the submission of regulatory files to the Régie, but as a good corporate citizen, Gaz Métro's relationship with the community and its stakeholders goes far beyond that. The growing scope of its business calls for taking into consideration the expectations of its stakeholders. Figure 2 below, which results from a consultation workshop organized by Gaz Métro, lists sustainable development priorities according to the importance its stakeholders granted them.

For more information about the organizational structure of Gaz Métro, consult the following Websites: <http://www.corporatif.gazmetro.com/> and www.valener.com/

¹ An Act Respecting the Régie de l'Énergie, Chapter II, Division 1, article 5.

<p>97%</p> <p>Percentage of natural gas distributed by Gaz Métro in Québec.</p>	<p>300</p> <p>Municipalities served</p> <p>Present in 12 regions of Québec.</p>	<p>More than 25</p> <p>Present in Vermont for more than 25 years.</p>	<p>12.55%</p> <p>Natural gas share of total energy consumption in Québec. (2010 – Source: MRNF¹).</p>
<p>More than</p> <p>480,000</p> <p>customers in Québec and Vermont.</p>		<p>89.6%</p> <p>Share of total volume of natural gas consumed in 2011 by major industrial, commercial and institutional (CII) customers in Québec, representing 28.7% of our clientele in 2011.</p>	
<p>80, ruelle de l'Avenir</p> <p>Name of school drop-out prevention project supported by Gaz Métro in Centre-Sud-Hochelaga-Maisonneuve.</p>		<p>1,300 + 800</p> <p>Number of employees in Québec + number of employees in Vermont.</p>	
<p>80, ruelle de l'Avenir</p> <p>Name of school drop-out prevention project supported by Gaz Métro in Centre-Sud-Hochelaga-Maisonneuve.</p>		<p>\$1.8M</p> <p>Given in donations and sponsorships to Québec organizations in 2011. (\$1.3M in donations alone.)</p>	
<p>578,000</p> <p>Number of tonnes of GHGs avoided between 2000 and 2011 as a result of Gaz Métro's energy efficiency programs (excluding subsidiaries), equivalent to the CO₂ emissions of 145,000 cars.</p>		<p>341</p> <p>Number of megawatts in wind electricity in Québec, as projected by the Gaz Métro/Valener-Boralex consortium.</p>	<p>\$143.8M</p> <p>Gaz Métro's net income in 2012.</p>
<p>578,000</p> <p>Number of tonnes of GHGs avoided between 2000 and 2011 as a result of Gaz Métro's energy efficiency programs (excluding subsidiaries), equivalent to the CO₂ emissions of 145,000 cars.</p>		<p>10.22%</p> <p>Rate of return on equity recorded in 2012 from the distribution of natural gas in Québec².</p>	

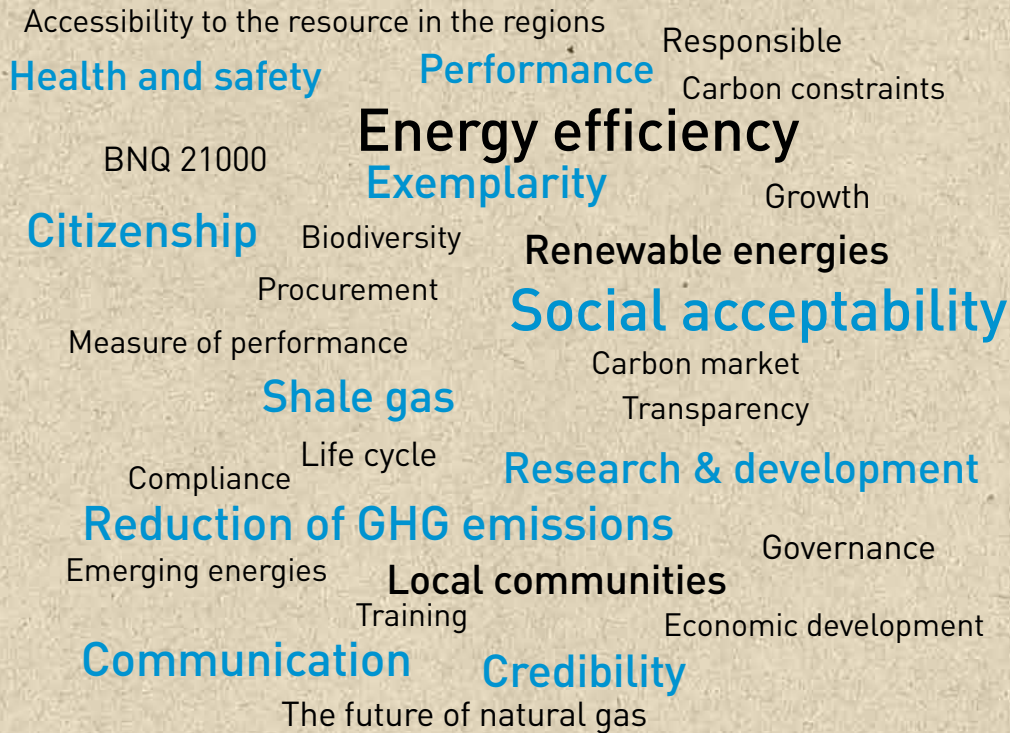
¹ MRNF: Ministère des ressources naturelles du Québec

² Subject to approval by the Régie.

The following section presents Gaz Métro's sustainable development road. It describes Gaz Métro's current position and explains where it wants to be by 2017. Based on Gaz Métro's deeply rooted organizational values, this section essentially covers activities in Québec and excludes the activities of its subsidiaries in Vermont.

RELATIVE IMPORTANCE OF SUSTAINABLE DEVELOPMENT PRIORITIES, ACCORDING TO STAKEHOLDERS. (June 2012)

Figure 2.



A
SUSTAINABLE
DEVELOPMENT
ROAD



RESPONSIBLE
SUCCESSION
RESPECTFUL

A RESPONSIBLE COMPANY

Where we are on the map

For Gaz Métro, being a responsible company means contributing intelligently to meeting the energy needs of today while thinking of those it will have to fill for future generations, always respecting living beings and nature.

1. ENERGY EFFICIENCY AT THE CORE OF OUR ACTIVITIES

Gaz Métro is committed to helping its customers consume better and less. Energy contributes to individual and collective well-being. Natural gas, like any form of energy, must be used efficiently and appropriately. Gaz Métro thus counts on its Energy Efficiency Plan, which is aimed at promoting the use of clean and efficient technologies. Since its creation in 2000, the plan has enabled Gaz Métro to participate in 86,000 energy efficiency projects that have avoided the emission of 578,000 tonnes of greenhouse gases (GHGs).

For Gaz Métro, encouraging energy efficiency also contributes to its growth through research and development. It thus maintains a partnership with the Natural Gas Technologies Centre, whose mission is to develop new gas technologies with the goal of improving energy efficiency. Gaz Métro is also proud to help position Québec as an important player when it comes to clean technologies and to investing in organizations such as Ecotech Québec, Cycle Capital Management, and the Center of Excellence in Energy Efficiency (C3E).

Our destination

1

Promote the fight against energy waste systematically through an innovative and responsible commercial offering that integrates energy efficiency and so achieve savings of 350 million m³, the Québec government's energy strategy target.

Contribute to the development of new energies and new applications of natural gas by encouraging research and development, particularly as regards biomethane and natural gas as a fuel for land and water transportation.



2. CAPITALIZING ON THE ADVANTAGES OF NATURAL GAS

Natural gas is by far the cleanest fossil fuel, hence the importance of prioritizing its use, particularly when it comes to replacing more polluting energies. Gaz Métro guarantees a reliable, safe and accessible supply for all its customers at all times. To encourage the use of natural gas, Gaz Métro has introduced the Assistance Account for the Substitution of Pollutant Energy Sources for residential and business customers, which covers the conversion of appliances from more polluting energies to natural gas. Thanks to all its initiatives (sums paid out and committed), the total volume of fuel oil conversions in 2012 on the Island of Montréal was 6,604,307 m³ in the business market and 1,071,121 m³ in the residential market, which represents a recurring replacement of more than 10,600 tonnes of GHGs¹.

Despite its strategic importance for the economic growth of Québec, the sector that contributes the most to GHG emissions in Québec is transportation. Gaz Métro therefore understands the importance of offering energy solutions adapted to industries in this sector. Several projects are thus under way in order to develop the potential of using natural gas as a fuel to replace diesel, in particular with Transport Robert and the *Société des traversiers du Québec*. Delivery of the 180 trucks ordered by Transport Robert began in fall 2011 and will continue through 2013. Another carrier, Transport YN.-Gonthier inc., has also begun using trucks that run on natural gas. As well as achieving significant savings on their fuel purchases, these companies are also reducing their GHG emissions.

Our destination

2

Ensure the promotion and use of liquefied natural gas in the railroad industry through partnerships with CN, Westport Innovations, and with locomotive manufacturer, Electro-Motive Diesel.

Expand service offerings and encourage the reduction of GHGs through the injection of renewable natural gas (biomethane) into Gaz Métro's distribution network (20 million m³ annually by 2014).

Contribute to encouraging the availability of natural gas in remote regions, especially in the last large industrial pocket not yet served – the *Côte-Nord*.

The use of natural gas to replace more polluting energies obviously means it has to be available: that is why it is important to continue work to improve access in remote regions.

¹ Based on an efficiency rating of 80% for a natural gas appliance, versus 65% for an oil-fired appliance.

3. SETTING A GOOD EXAMPLE

Gaz Métro has implemented an Environmental Management System, which guides its way of doing business and shrinks the company's footprint on the environment. Gaz Métro was the first natural gas distributor in Canada to obtain ISO 14001 certification, which was confirmed again in 2012. Gaz Métro was also a frontrunner in obtaining LEED CI, SILVER certification for the renovation work on Head Office. It is also in the process of replacing 35 vehicles in its fleet by ones that run on natural gas.

In order to be a change agent and to have a positive effect in the community, Gaz Métro joined the Strategic Plan for sustainable development – Sustainable development, the choice of Montréal in 2006. This was a golden opportunity to collaborate in the sustainable development objectives of the Ville de Montréal, while also contributing to those of Gaz Métro. As a partner in the city's second Strategic Plan, Gaz Métro has taken several steps that will contribute to the deployment of initiatives found in this document.¹

Gaz Métro is also one of the founding members of ECPAR (*Espace québécois de concertation sur les pratiques d'approvisionnement responsable*), which aims to integrate sustainable development into procurement chains and to share best procurement practices.

Our destination

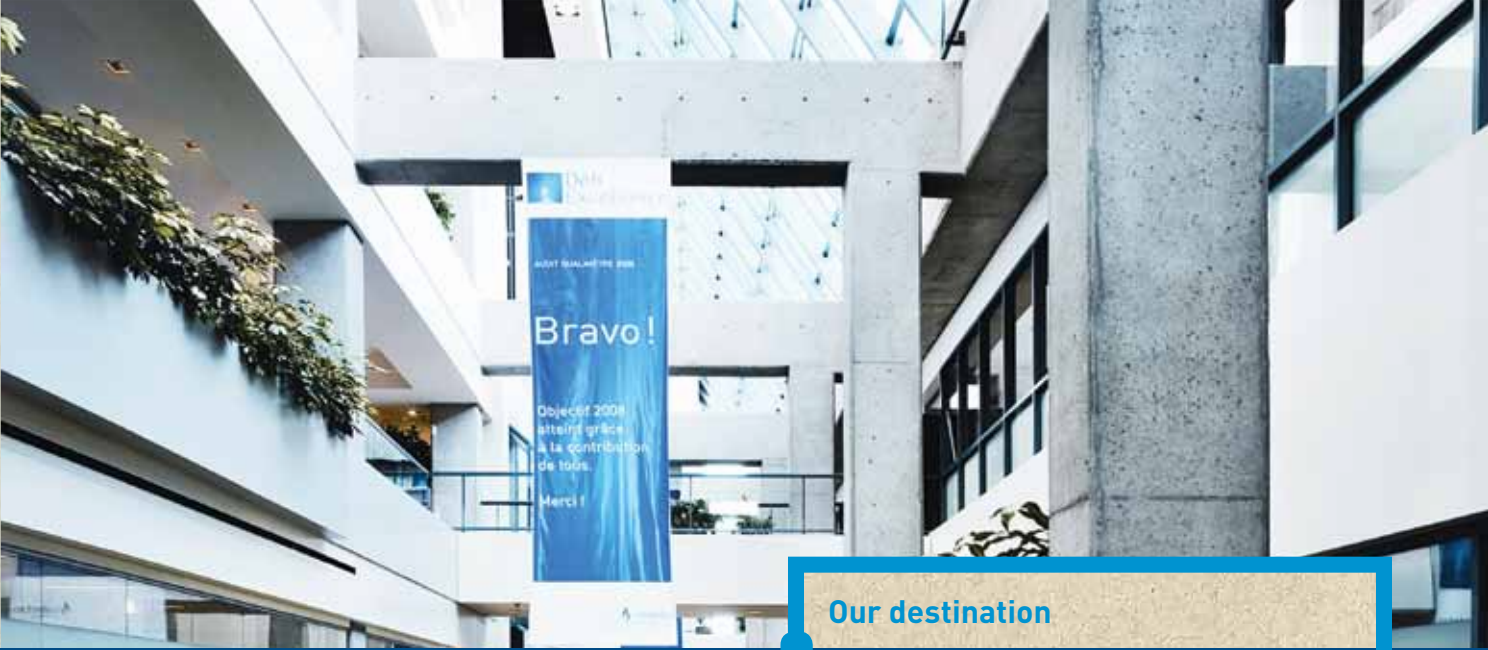
3

Integrate the cap and trade system for GHG emission allowances established by the Québec government into both our customers' and our own activities.

Take an active part in the energy debate in Québec and contribute to increasing understanding about energies.

Continue to reduce our GHG emissions (excluding fugitive leaks and breaks by third parties) to be equal to, or 20% less than in 1990.

¹ In particular, action steps 1, 6, 11, 18, 25, 26, 28, 30, 36 and 37 of that Plan.



4. SUSTAINABLE DEVELOPMENT: EVERYONE'S RESPONSIBILITY

For Gaz Métro, sustainable development is the responsibility of each of its 1,300 employees. They collectively contribute to the optimal use of the company's resources, to reducing the volume of waste materials generated, and to promoting energy efficiency programs to customers. Many employees also participated in initiatives aimed at encouraging sustainable mobility. For example, Gaz Métro has reserved 30 parking spaces for carpooling and has implemented the OPUS program, along with the *Société de Transport de Montréal*, to encourage employees to use public transit.

4

Our destination

Influence, and support employees in their informed choices, particularly as concerns the environment, through an internal training program and awareness-raising activities such as *Défi Climat*.

Train, and raise the awareness of all employees regarding the company's sustainable development commitments.

5. RESPONSIBILITY FOR HOW WE ACT EVERY DAY

At Gaz Métro, this responsibility also takes the form of a Code of Ethics, which sets out rules of conduct. The Code is a useful guide for relations with customers, suppliers, partners, investors, financial regulatory authorities, competitors, the community, and employees. But at Gaz Métro, ethics goes well beyond simple compliance with the Code. In fact, to varying degrees, the company incorporates objectives and practices for its employees in the Code, aimed at developing specific judgement skills and at making ethical decisions. We invest in Gaz Métro's ethical values for we profoundly believe in the culture of dialogue it stimulates and the confidence it generates among stakeholders.

A SUCCESSFUL COMPANY

Where we are on the map

For Gaz Métro, being a successful company means cultivating excellence and seeking to achieve the best results for itself – and its business partners.

1. FINANCIAL AND NON-FINANCIAL PERFORMANCE

In order to create value for its customers, partners, employees, partners, and the communities where it operates, Gaz Métro has to achieve a very good economic return. In fiscal year 2012, it is expecting to post net income of \$143.8 million. It has exceeded the sales target set and recorded an increase of 23% in new owners of businesses and properties that have opted for natural gas. This increase translates into 10,686 homes and properties and 1,065 new CII buildings. And Gaz Métro has done all this while maintaining a customer satisfaction rating above 90%.

Gaz Métro sets targets that it rigorously monitors against many predetermined social, environmental and financial indicators. It has thus been eligible to participate in the Carbon Disclosure Project for the last seven years. A mechanism already in place means that it can confidently oversee the application of the Global Reporting Initiative (GRI) standards.¹

Our destination

1

Measure its sustainable development performance against the **Global Reporting Initiative (GRI)** standards by monitoring our performance against a minimum of 10 indicators by 2013.

¹ Application of standards subject to change. See GRI 4 project at www.globalreporting.org



2. HEALTH, SAFETY AND SECURITY: MEASURES OF PERFORMANCE

In the pursuit of excellence and the achievement of its business objectives, Gaz Métro has to set priorities. One of these is to ensure the health, safety and security of its employees, business partners, customers, and the community. This priority is reflected in the overall management of all the risks related to its activities, its products and services. For example, training a committee has resulted in developing and promoting good health, safety and security habits. The risk management procedure is also updated at regular intervals and Gaz Métro collaborates with external organizations, such as the *Régie du bâtiment du Québec* and the *Commission de la santé et de la sécurité du travail* (CSST), in order to reduce high-risk interventions, in particular through prevention, awareness-raising, risk identification, and the promotion of good work habits.

Because Gaz Métro knows that its activities are not without risk, it ensures the integrity and safety of its installations 24 hours per day, 365 days per year. Its activities are governed by strict safety, security and environmental laws and regulations (CSA Z662 and CSA Z246.1), and it has also installed surveillance and preventive maintenance programs. In 2010, the company implemented a proactive asset management strategy and a risk-mitigation action plan, based on the most innovative standard, the PAS55 specification, adapted to Gaz Métro's specific context. It spends about \$40 million every year to ensure the safety and integrity of its network. Gaz Métro has also operated a Control Centre for decades, has implemented a network improvement program and established procedures to be followed in case of an emergency, along with an operations continuity plan in case of an interruption in activities.

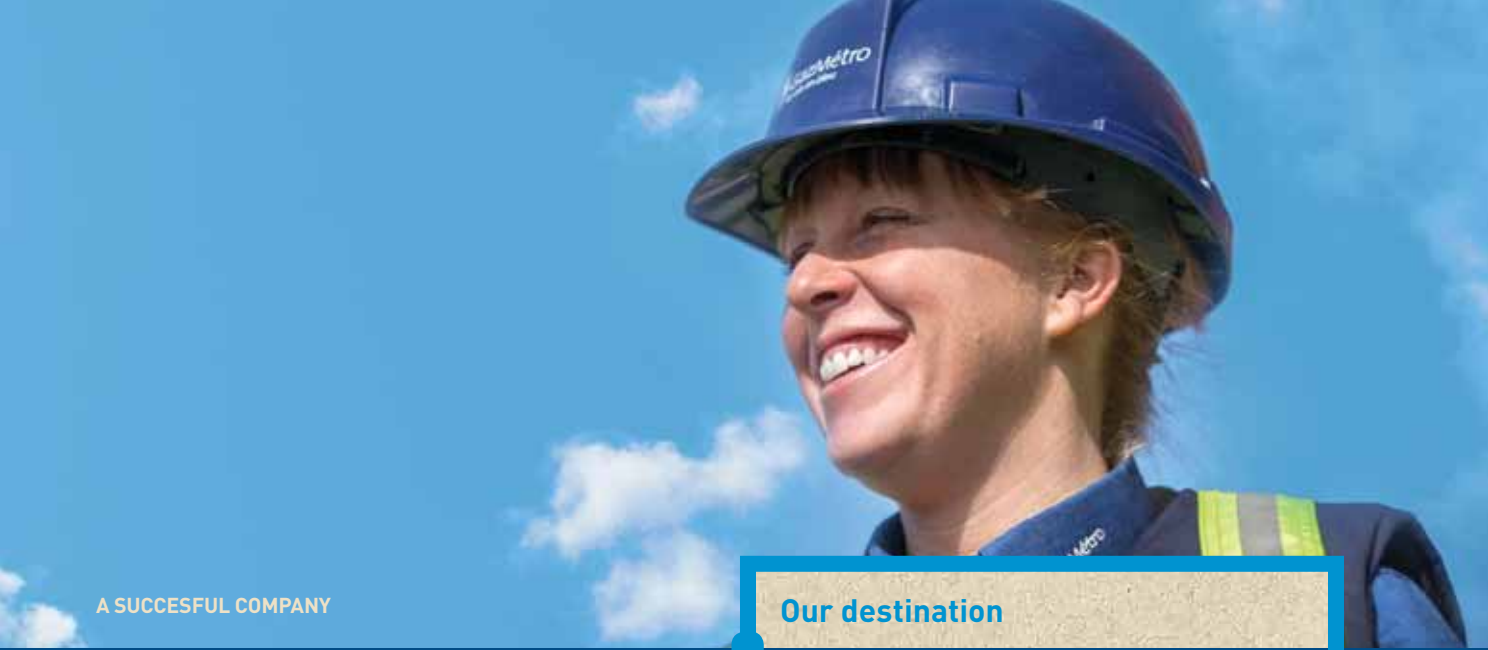
Our destination

2

Aim at the highest criteria in the natural gas industry for the prevention and management of work accidents for all categories of employees.

Aim at the highest criteria in the natural gas industry for the prevention and management of incidents that could affect the safety and integrity of our installations by integrating CSA Z662 and CSA Z246.1 standards.

Aim at the highest criteria in the natural gas industry for the prevention and management of work accidents for all categories of employees. Set as a target an accident frequency rate below 2.29 work accidents per year.



3. DEVELOPING AND ACTING AS A TEAM

It is important to provide employees with the appropriate tools so they can give their best and find fulfilment at work. In 1992, Gaz Métro has thus created its own training centre, the *École de technologie gazière*, which encourages the development and upkeep of the skills of its employees, as well as those of other workers in the natural gas sector. Gaz Métro has also implemented a talent-management, mentoring and coaching techniques program, which is part of its action plan to ensure the high quality of its workforce in the future.

To encourage healthy labour relations and offer employees stimulating challenges, Gaz Métro has developed a style of participative management where motivation and partnership are front and centre. In this regard, Gaz Métro obtained a *Certificat sur la qualité des interventions de formation* from Emploi-Québec in 2009.

What unites Gaz Métro and its employees is a relationship based on confidence and respect. The company seeks out their opinions and consulted its employees regarding which important human resources attributes should be emphasized in the coming years. After confirmation of top management, it was agreed to put the emphasis on actions that encourage diversity as well as health and safety.

Our destination

3

Maintain the high skill level of employees and offer a motivating work environment so as to be seen as an employer of choice, where the equality and diversity of the workforce are easily observable.

A RESPECTFUL COMPANY

Where we are on the map

For Gaz Métro, being a respectful company means giving full consideration to the interests and expectations of its customers, its investors, employees, suppliers, business partners, and communities.

1. RESPECT IS FIRST OF ALL LISTENING

The dialogue with stakeholders has been part of the tradition and ways of doing business for Gaz Métro for decades, especially with Québec residents and municipalities. In 2009, the company integrated the concept of dialogue and engagement in its Environment Policy.

The opinions of its stakeholders are also essential in order to give food for thought and to adapt its positioning for the future. That was the reason for the workshop with Gaz Métro's stakeholders held June 12, 2012. The consultation exercise, which brought together stakeholders from the business, municipal, associative, industrial, and academic worlds, as well as from civil society, helped the company better identify their expectations regarding both sustainable development and making its results public. (See *Figure 2, p.6*). The dialogue is open-ended and can be continued.

Our destination

1

Become an influencer for its employees, customers, partners, suppliers and business partners when it comes to sustainable development, especially through our procurement policy.

Consult, engage and inform stakeholders about the reasons behind, as well as the advantages and repercussions of its activities and projects through ad hoc contacts.

Implement a procedure to improve its approach to sustainable development by progressively integrating the BNQ 21000 standard by 2017.

Meet the stakeholders who participated in the 2012 consultation twice a year to report on the evolution of our sustainable development performance.

2. RESPECT IS ALSO A COMMITMENT

Participating positively in the growth of communities is a commitment to which Gaz Métro has adhered since its early days. The company gives its support in particular to the neighbourhoods around its Head Office, especially Centre-Sud and Hochelaga-Maisonneuve, two Montréal districts among the poorest in Canada. This commitment is clearly shown by *80, ruelle de l'Avenir*, the company's flagship project that encourages children to stay in school and graduate. In 2007, Gaz Métro and its partners contributed to the renovation and furnishing of premises on Rue Papineau in Montréal to create an original and adapted learning centre. In operation since September 2008, *80, ruelle de l'Avenir* arouses the desire to learn in about 1,000 students a week, while giving them much needed support, such as help with homework and providing breakfast and lunch. The positive results of this initiative have been recognized several times and documented in a three-year study led by Professor Roch Chouinard's team at l'Université de Montréal and published in 2012.

To better respond to the needs of communities in Québec, Gaz Métro designed and implemented its Community Investment Policy, which focuses specifically on issues related to education, health, the environment and culture, as well as on humanitarian action. The policy also encourages employees to get involved in various organizations through its adapted programs.

Our destination

2

Invest in, and get involved in the community as a change agent by taking part in promising projects with employees.

Make it's community commitments better known.

Improving the quality of life of communities also means giving them the power to change things through financial donations. In this spirit, Gaz Métro voluntarily follows the Imagine Canada standard, which recommends redistributing 1% of net income to the community. In 2011, Gaz Métro was chosen to receive a SPONSORIUM award in the public utility category in recognition of its investments in the community.



PROMISING PROJECTS FOR THE FUTURE

Spurred by the desire to offer intelligent energy solutions and to meet the growing demand for energy, Gaz Métro is working on many promising projects. For Gaz Métro, this means giving priority to energy efficiency and to the energy savings it generates, and to using the right energy in the right place. It means choosing natural gas instead of petroleum products every time that is possible. It also means giving preference to renewable energies, used appropriately.

www.gazmetro.com/blue

ACCESS TO NATURAL GAS

Figure 3.

NATURAL GAS VERSUS HEAVY FUEL OIL



30%



GHGs

99%



SO₂

70%



No_x

99%



fine particles

All responsible for global warming, smog, and acid rain.

The distribution of natural gas remains one of Gaz Métro's principal activities. The company has to construct, maintain and safely operate the infrastructures needed for its public service offering on its exclusive territory. It can count on the many advantages of natural gas as a reliable and safe solution for space and water heating, as a source of comfort, and as powerful vector for development. Natural gas is the cleanest of all fossil fuels, emitting less CO₂ and fewer pollutants and fine particles.



1. EXTENSION OF NATURAL GAS NETWORK TO THETFORD MINES – MRC DES APPALACHES

Long awaited by the business community, the new service covers the territory from Vallée-Jonction to Thetford Mines. The extension will help increase the region's industrial potential by supplying natural gas to more than 125 customers, which corresponds to an annual consumption of more than 11 million m³.

Network extension
80 km

Investment
\$25.3 million
(\$18.1 million from the Federal government; \$7.2 million from Gaz Métro)

Number of jobs created
11 direct jobs with Gaz Métro; 220 workers engaged by the general contractor, with preference given to employing local workers

GHG reductions generated
more than 7,000 tonnes CO₂ equivalent/year

Stage
Entry into service in fall 2012

2. EXTENSION OF NATURAL GAS NETWORK TO SAINT-DENIS-SUR-RICHELIEU – MRC DE LA VALLÉE-DU-RICHELIEU

Thanks to the 10-km extension from Contrecoeur, the Bonduelle of Saint-Denis-sur-Richelieu plant is now served by natural gas, which means that it can replace its consumption of heavy fuel oil.

Network extension
10 km

Investment
\$3.5 million

GHG reductions generated
more than 4,000 tonnes CO₂ equivalent/year

Stage
In service since December 2011

3. PROJECT TO SERVE THE CÔTE-NORD WITH NATURAL GAS – MRC FJORD-DU-SAGUENAY, HAUTE-CÔTE-NORD, MANICOUAGAN, AND SEPT-RIVIÈRES

Starting in Saguenay, this major project would facilitate serving the last large industrial pocket without access to natural gas, that is, Baie-Comeau, Port-Cartier and Sept-Îles. Giving major industries, businesses and institutions in the region access to natural gas would increase the asset base of the natural gas distribution activity in Québec by about 40%.

Network extension
450 km

Investment
≈ \$750 million

Potential GHG reductions
>150,000 tonnes CO₂ equivalent/year

Stage
Draft-design studies. The studies are under way and their conclusions are expected by year-end 2012. If those conclusions are positive, Gaz Métro will undertake the environmental and regulatory approval process in 2013. Once all the required approvals are obtained, the preparatory work and then the construction required to serve the Côte-Nord could begin in 2015, with entry into service expected in 2016.

NATURAL GAS AS A FUEL



It's natural for Gaz Métro to think about using natural gas as a fuel since natural gas can contribute to reducing the harmful effects from transporting goods and passengers. On land and water, natural gas transportation will contribute to reducing pollutants and greenhouse gas emissions. Gaz Métro is working in concert with the transportation industry and is multiplying partnerships in order to improve its offerings.

1. TRUCKS

As a result of a contract signed between Gaz Métro Transport Solutions (GMTS) and Transport Robert 1973 Ltée (Transport Robert), three liquefied natural gas refuelling stations have been installed in the Québec-Montréal-Toronto corridor to serve the fleet of 180 trucks ordered by Transport Robert by year-end 2013. This initiative alone will, in time, replace more than 12,000,000 litres of diesel.

Investment by GMTS
More than \$5 million

GHG reductions generated
9,000 tonnes CO₂ equivalent/year

Stage
Project under way since fall 2011.

2. SHIPS

A first North American liquefied natural gas marine transportation project is under way and GMTS is involved. Currently, the *Société des traversiers du Québec* is acquiring three ferries that will run on natural gas. Gaz Métro Transport Solutions will provide the supplies.

Investment by GMTS
More than \$2 million

Potential GHG reductions generated
25%

Stage
Entry into service expected by year-end 2014.

3. TRAINS

Not wanting to overlook any promising avenue, GMTS is also participating in the development of a new technology – a liquefied natural gas engine for locomotives in partnership with Westport Innovations, Electro-Motive Diesel, and Canadian National (CN).

Investment by all partners
\$18 million in the research project

Potential GHG reductions generated
25%

Stage
Technological development

WIND ENERGY



It is natural for Gaz Métro to think that Québec's energy future depends on a wide range of energy sources. That is why Gaz Métro has chosen to get involved with partners in wind electricity generation in Québec.

SEIGNEURIE DE BEAUPRÉ WIND FARM PROJECT – MRC LA CÔTE-DE-BEAUPRÉ

This project, developed in partnership with Boralex and Valener, is taking root on lands belonging to the *Séminaire de Québec*, some 60 km north-east of Québec City and far from urban areas. About 10% of the site, known for the exceptional quality of its winds, will be occupied. The largest wind park currently under construction in Canada, it will be able to supply electricity for about 55,000 households annually.

1. FIRST PHASE (SEIGNEURIE DE BEAUPRÉ 2 & 3)

Capacity
272 MW

Investment
About \$750 million

Number of jobs created
Up to 400 (during construction)

Stage
Entry into service expected in December 2013

2. SECOND PHASE (SEIGNEURIE DE BEAUPRÉ 4)

Capacity
69 MW

Investment
About \$190 million

Number of jobs created
Up to 200 (during construction)

Stage
Entry into service expected in December 2014, assuming all necessary authorizations are obtained.

BIOMETHANE



It is natural for Gaz Métro to re-think energy by being interested in biomethane. Biomethanation is the recovery process that transforms organic matter into methane. The methane is then treated in order to make biomethane, a renewable natural gas produced locally that can be injected into the natural gas distribution network and be used to heat buildings or supply vehicle fleets that run on natural gas.

The Québec government has revised its Residual Materials Management Policy by integrating a program for treating organic matter by biomethanation, or composting. Gaz Métro expects to inject biomethane into its distribution network, in collaboration with various partners.

Biomethane projects can help Gaz Métro contribute to meeting the Québec government's goal to implement its Action Plan 2013-2020 on climate change and to achieving the objectives of Québec's energy strategy. Gaz Métro therefore intends to contribute fully to the development of renewable energies in order to reduce dependency on fossil fuels and to link environment and economics when it comes to the management of waste materials. This initiative is in line with the objectives established by the Québec government in its Residual Materials Management Policy and its Action Plan 2011-2015.

1. BIOMETHANATION PLANT IN SAINT-HYACINTHE AND INFRASTRUCTURE PROJECT TO INJECT BIOMETHANE INTO THE GAZ MÉTRO DISTRIBUTION NETWORK – MRC DES MASKOUTAINS

This first project for the injection of biomethane, designed in partnership with the City of Saint-Hyacinthe and the Québec government, marks an important milestone in the development of a new renewable energy alternative in Québec.

Potential GHG reductions

25,000 tonnes CO₂ equivalent/year

Stage

Project submitted for approval by the *Régie de l'énergie* in 2012.

SUMMARY OF SUSTAINABLE DEVELOPMENT COMMITMENTS TO 2017

1.

Promote the fight against energy waste systematically through an innovative and responsible commercial offering that integrates **energy efficiency** and so achieve savings of 350 million m³, the Québec government's energy strategy target.

2.

Contribute to the development of **new energies** and new applications of natural gas by encouraging **research and development**.

3.

Develop and promote the use of liquefied natural gas in the railroad industry.

4.

Expand service offerings and encourage the reduction of GHGs through the injection of renewable natural gas (biomethane) into Gaz Métro's distribution network (20 million m³ by 2014).

5.

Contribute to encouraging the availability of natural gas in remote regions, especially the *Côte-Nord*.

6.

Integrate the cap and trade system for GHG emission allowances established by the Québec government into both our customers' and our own activities.

7.

Take an active part in the energy debate in Québec and contribute to **increasing understanding about energies**.

8.

Continue to **reduce GHG emissions** (excluding fugitive leaks and breaks by third parties) to be equal to, or less than in 1990.

9.

Influence and support employees in their **informed choices** (sustainable transportation, community involvement, etc.).

10.

Train, and raise the awareness of all employees regarding the company's sustainable development commitments.

11.

Measure it's sustainable development performance against the **Global Reporting Initiative (GRI)** standards by monitoring a minimum of 10 indicators by 2013.

12.

Aim at the highest criteria in the natural gas industry for the **prevention and management of work accidents** for all categories of employees. Set as a target an accident frequency rate below 2.29 work accidents per year.

13.

Aim at the highest criteria in the natural gas industry for the **prevention and management of incidents** that could affect the **safety and integrity of our installations**. (CSA Z662, CSA Z246.1, PAS55)

14.

Maintain the high skill level of employees and offer a motivating work environment so as to be seen as an employer of choice, where the **equality and diversity of the workforce** are easily observable.

15.

Become an influencer for it's employees, customers, partners, suppliers and business partners when it comes to sustainable development, especially through it's **procurement policy**.

16.

Consult, engage and inform stakeholders **about the reasons behind, as well as the advantages and repercussions of our activities and projects through ad hoc contacts**.

17.

Maintain **ISO 14001** and implement a procedure to improve it's approach to sustainable development by progressively integrating the **BNQ 21000** standard by 2017.

18.

Meet the stakeholders who participated in the 2012 consultation twice a year to report on the evolution of our sustainable development performance **and listen to their concerns**.

19.

Invest in, and get involved in the community as a change agent by taking part in promising projects, and **make our community commitments better known**.

Gaz Métro sees this sustainable development roadmap as the basis for an open and continuous dialogue with its stakeholders. It is an approach that is intended to be both transparent and rigorous and that has the goal of producing a sustainable development report, in line with the Global Reporting Initiative (GRI) standards.

As a partner in the pursuit of Québec's energy, economic, environmental and social objectives, Gaz Métro hopes that its plans for sustainable energy will contribute to a greener, a more equitable, and a more prosperous society in the future.

WOULD YOU LIKE TO KNOW MORE?

We welcome your suggestions and comments. Communicate with Morvan Le Borgne, Sustainable Development and Citizenship.

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