

ENVIRONMENTALLY RESPONSIBLE MANAGEMENT

Transportation is the largest single energy user and contributor to greenhouse gas emissions in Canada. Road vehicles — passenger cars, light trucks and commercial trucks — account for over 70 per cent of transportation-related greenhouse gas emissions.

Passenger rail is one of the most environmentally sustainable modes of public transportation available. VIA believes that there is enormous potential for enhancing rail's contribution to the environment — by continually improving our current operations, and exploring opportunities to expand our role in protecting Canada's environment and the health of Canadians.

In 2003, we officially made an environmental goal part of our Strategic Plan. However, VIA had established environmental practices and procedures much earlier. For example, VIA's maintenance centres have been leaders for VIA on the environmental front. They were the first to adopt an environmental policy and to put in place an Environmental Management System (EMS), for which they received the ISO 14001 certification.

Environmental reporting is now an integral part of the Corporation's management and accountability framework. VIA's vice-president accountable for environment reports to the Board of Directors, senior management and employees on the status of all environmental initiatives.

ENVIRONMENTAL POLICY

VIA Rail Canada Inc., Canada's national passenger rail service, is devoted to meeting current and future passenger rail needs in an **ENVIRONMENTALLY SUSTAINABLE AND RESPONSIBLE MANNER**.

VIA Rail recognizes the importance of promoting **ENVIRONMENTAL AWARENESS** among its employees, suppliers, customers and partner communities and is committed to **CONTINUALLY IMPROVE** its environmental performance by:

- **ENSURING COMPLIANCE** with applicable Government laws and regulations;
- **ASSESSING AND MANAGING** the environmental impacts of its operations; and
- **ESTABLISHING ENVIRONMENTAL OBJECTIVES AND TARGETS** and associated **ENVIRONMENTAL MANAGEMENT PROGRAMS** with respect to the environmental effects of its activities, properties and services.

ENVIRONMENTAL MANAGEMENT SYSTEM

VIA's Environmental Management System (EMS) manual outlines the company's commitment to conducting its business in an environmentally responsible manner. It contains VIA Rail's environmental policy as well as the requirements and procedures in place for VIA to achieve its environmental objectives. The system itself was implemented in late 2003, while the manual was distributed to all managers in June 2004.

The Environmental Management System manual includes a "Training and Awareness" section, which calls for training to be provided to all employees according to the environmental aspects associated with their role and responsibilities. Training began in the fall of 2004.

A permanent, cross-functional Environmental Planning Committee has been established to periodically review the application of the system, and to act as consultant in its development, implementation and continuous improvement. The Committee also monitors performance, proposes and plans initiatives, promotes environmental awareness, and liaises with outside agencies. Members of the committee represent every department of the Corporation.

In addition, VIA has developed an Environmental Assessment Program to allow employees to assess VIA's facilities, conformance to environmental legal requirements, and best management practices. Results of these assessment surveys are distributed to managers for review and action.

FLEET MANAGEMENT

Our efforts to modernize aging equipment since the early 1990s have made an important contribution to environmental objectives. Modern waste retention systems have been installed on all trains operating in the Quebec City — Windsor corridor; these systems are also being installed on all cars used for transcontinental and remote services. Improved operating efficiency has reduced fuel consumption and greenhouse gas (GHG) emissions significantly. Overall fuel consumption per passenger-mile has been reduced by over one-fifth since 1990.

In 2002, we purchased 21 new General Electric P-42 locomotives. These locomotives were built to the United States Environmental Protection Agency standards and have significantly improved the efficiency of VIA's operations.

VIA also continues to operate older General Motors F-40 locomotives. We have issued tenders to rebuild these locomotives. The work would include a new system to automatically shut down engines during layover and heat them with wayside power in the winter. Such a system would reduce fuel consumption by significantly reducing idling time, and thereby decreasing emissions as well.