

The background of the entire page is a photograph of three workers in a vast field filled with white plastic bags. The workers are wearing hard hats and safety vests, and are seen from behind, walking away from the camera. The field is covered with hundreds of white plastic bags, some standing upright and others lying flat. In the distance, there are low hills under a clear sky. The entire image is overlaid with a semi-transparent green filter.

LOGISTEC

Driving Innovation for
a Sustainable Future

2018 SUSTAINABLE DEVELOPMENT REPORT



A Message *from* Madeleine

A WORD FROM OUR PRESIDENT AND CEO

Our adventure began in Quebec City 65 years ago, when Roger Paquin, a young visionary with boundless energy and unwavering determination, set out to build the largest marine services company in Canada with one thing in mind: meeting his customers' needs.

Since then, we have extended our operations far beyond the ports where LOGISTEC got its sea legs. Reliable service, imaginative minds teeming with intuition and agility, and the drive to constantly do more and do better for our clients are just a few of the elements that characterized the beginnings of our company. The women and men who joined Roger and the LOGISTEC family in the years to follow built upon these values and made them their own.

Today, our family is an environmental leader in Canada and a major player in the North American supply chain. We help economies grow and communities thrive.

Over the past 65 years, we have overcome one challenge after another with passion and determination. The coming years promise to be just as stimulating. We have decided to reiterate our commitment and our key sustainable development choices so that our family, now over 3,000 strong, can effectively focus their efforts on a common goal.

By empowering our people, demonstrating integrity in everything we do, setting clear goals and measuring our progress, we can offer our customers innovative services and products while we create value for our shareholders. Our sustainable development strategy aims to establish a balance between environmental, social and economic performance in order to secure our position as a leader in the environmental and marine industries. We firmly believe that it is possible for a business to be prosperous and accountable at the same time. And we seek to achieve this by leveraging our values and upholding the heritage that makes us who we are.

Our goals are to:

- **BE AN EMPLOYER OF CHOICE AND DEVELOP THE BEST TALENT** – Developing diversity and enriching our human capital within the LOGISTEC family form the backbone of our success.
- **CREATE A SAFE, HEALTH-FOCUSED WORKPLACE** – The health and safety of our people is one of the main factors that will ensure we are an employer and partner of choice.
- **PROVIDE OUR CUSTOMERS WITH FORWARD-THINKING ENVIRONMENTAL AND MARINE SOLUTIONS** – This is what cements our status as a premier supplier of safe, sustainable and creative solutions.
- **SUSTAINABLY GROW THE VALUE OF OUR ORGANIZATION** – Our people are fully accountable for our performance and are determined to deliver sustained, lucrative growth by maximizing the cost-effectiveness of our operations and our investments.
- **INVEST IN OUR COMMUNITIES** – Investing in the communities where the LOGISTEC family operates is one of the best ways of helping them be stronger, safer and more resilient.
- **DO THINGS THE RIGHT WAY** – Solid, efficient corporate governance will strengthen our reputation and earn the trust of our stakeholders in order to cultivate our long-term success.

In short, the LOGISTEC family is committed to doing everything we can today to build a better tomorrow.

In our efforts to prepare for the future, we are positioning ourselves to generate sustainable, rewarding results that stimulate global prosperity, a competitive economy and proactive environmental stewardship for the generations to come. It is an ongoing process that requires transparency, ingenuity and collaboration – three of the hallmarks of the LOGISTEC family.



Madeleine Paquin, C.M.
President and Chief Executive Officer
LOGISTEC Corporation



About *This Report*

This report is part of our commitment to be transparent about our activities and report on our progress in a clear, concise way. The purpose of DRIVING INNOVATION FOR A SUSTAINABLE FUTURE is to present our sustainable development journey, starting with when we set our long-term objectives in order to improve our performance in sectors essential to the LOGISTEC family.

TABLE OF CONTENTS

1	Message from the President and CEO	17	<i>A Safe, Health-focused Workplace</i>
3	About This Report	17	<i>Environmental Stewardship</i>
4	Company Profile	18	<i>Involvement and Investment</i>
6	<i>Corporate Structure</i>	18	<i>Strong Governance</i>
7	<i>Our Mission and Values</i>	19	Our Commitments and Initiatives
9	<i>Governance</i>	29	<i>Sustainable Development Initiatives</i>
10	<i>Strategic Plan</i>		<i>Green Marine Program</i>
11	<i>Our Strategic Objectives</i>	23	<i>Environmental Services</i>
12	Stakeholders	27	<i>Community Involvement and Investment</i>
16	Our Priorities and Contributions	29	<i>Giving Back to Our Communities</i>
17	<i>Our Most Passionate Talent</i>	30	The Road Ahead

Company Profile

With more than \$637 million in assets, LOGISTEC is a diversified company offering a unique combination of environmental and marine services, all of which are linked by water.

LOGISTEC is a leader in the environmental and marine sectors in Canada and a growing presence in the United States. In this capacity, our activities are major drivers of social and economic progress:

- A team of 3,000 people
- A balanced, diversified cargo base
- An extensive geographical range
- More than \$1 billion CAD of work in environmental initiatives and water main rehabilitation
- 2,000 km of rehabilitated water mains



MARINE SERVICES



ENVIRONMENTAL
SERVICES



WATER TECHNOLOGY
SERVICES



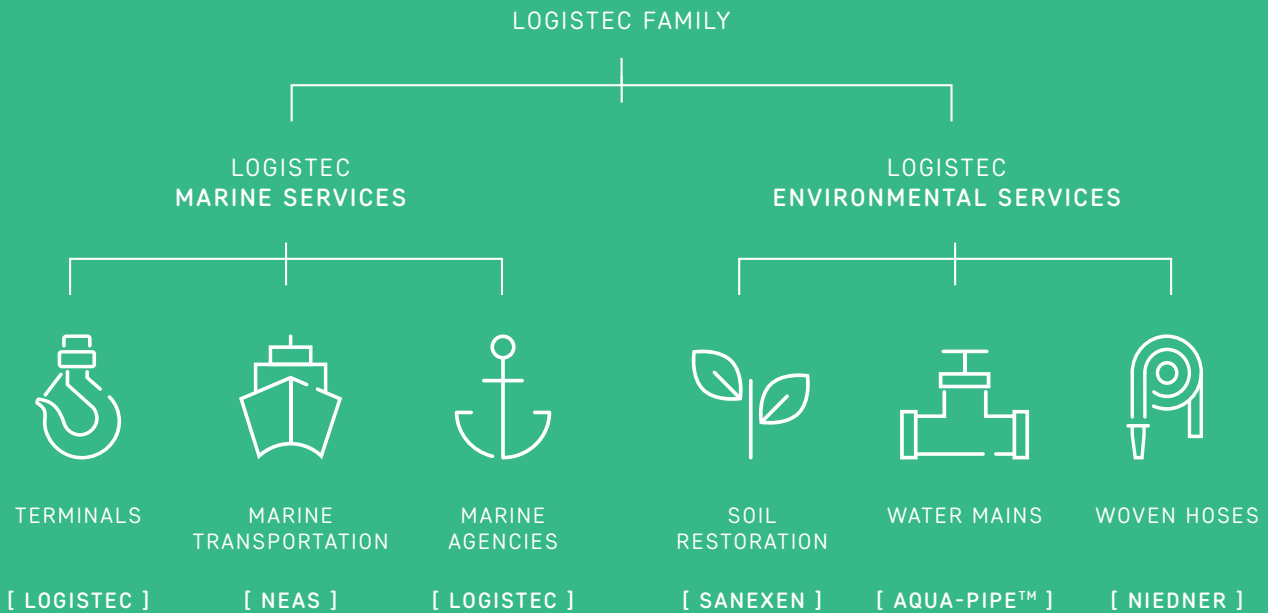
KITIMAT



LOS ANGELES



Corporate Structure



LOGISTEC MARINE SERVICES

A key global supply chain partner, LOGISTEC helps economies grow and communities thrive. We offer terminal operation (intermodal facilities and RoRo ramps), cargo handling (bulk, general or project-based), marine transportation and marine agency services. Our marine transportation-related activities are carried out through NEAS, a company known Canada-wide for its reliable marine resupply services, container services, packaging and project planning, including in remote areas of the Eastern and Western Canadian Arctic. LOGISTEC also offers marine agency services to foreign shipowners and operators calling eastern Canadian ports.

LOGISTEC ENVIRONMENTAL SERVICES

SANEXEN, LOGISTEC's environmental team, is a contractor specializing in contaminated site remediation and water main rehabilitation (AQUA-PIPE™). Our team of scientists also performs studies and assessments related to other environmental issues. In the past 30 years, SANEXEN has completed contracts totalling more than \$1 billion CAD in the environmental and water main rehabilitation fields. We have developed a solid expertise as well as technologies adapted to the needs of private corporations and public organizations facing various environmental issues.

NIEDNER, a specialty manufacturer owned by SANEXEN, makes products such as the structural lining used in the AQUA-PIPE™ process and woven hoses for the firefighting market and energy industry.

Our Mission *and Values*

OUR VISION

We are determined to be the provider of choice for safe, sustainable and creative solutions in the marine and environmental sectors. By 2022, we will be recognized for our remarkable contributions to our customers, our partners and our communities.

OUR VALUES

— RELIABILITY

Our people are recognized for their operational excellence. Over the years, solid processes and continuous learning have allowed us to establish reliable supply chains for our customers and effective remediation solutions for the environment. Whatever the circumstances, our people have an uncanny ability to find solid solutions. We are definitely resilient!

— GOING BEYOND

Our people are ready to go beyond and challenge the status quo. They strive to continuously push boundaries. They seek new ways to improve their operations and cost leadership. They go after new partnerships and business opportunities. We are naturally relentless!

— IMAGINATION

Our people are imaginative thinkers – people who generate new and unique solutions – and have the courage to take action to put these solutions in place. They create environments in which others can take smart risks and experiment. They foster the creative ideas of others, using good instincts and agility to bring the right solutions to our customers.

— SUSTAINABILITY

Our people are fully accountable for our performance and are truly committed to long-term sustainable growth. By empowering our people, acting with integrity, setting clear goals and measuring our progress, we deliver innovative products and services to our customers and create value for our shareholders. Our sustainability strategy is based on a sound and balanced approach to environmental, social and economic performance designed to enhance our position as an industry leader. We firmly believe that it is possible to be successful as well as responsible.



Governance

Our Board of Directors is responsible for overseeing the company's operations so that we can fulfill our corporate mission and ensure LOGISTEC is administered efficiently and in the best interests of all stakeholders, namely team members, customers, shareholders and the community at large.

The members of our Executive Committee are tasked with the direction of the company's operations, which entails approving the strategic plan, business plans and budgets. They represent LOGISTEC in dealings with customers, investors, financial markets, government and community representatives, and other outside parties. The Executive Committee must take economic, social and environmental factors into consideration in all of their decisions.

SUSTAINABLE DEVELOPMENT GOVERNANCE STRUCTURE

We are committed to incorporating the LOGISTEC family's values and strategic objectives into our sustainable development plan. The sustainable development program is led by the Environment and Innovation Committee.

The Environment and Innovation Committee is made up of members who represent various facets of the LOGISTEC family's operations.

The committee's duties include the following:

- Advise, assess and implement innovative initiatives in sustainable development strategies
- Review improvement and innovation projects with environmental repercussions
- Issue recommendations to sustainable development and environmental teams working in the field

Our sustainable development governance is rooted in establishing shared goals for each business unit and having each unit set specific targets and an action plan based on the activities they engage in and the challenges they must face.

A number of efforts have been deployed to protect our people's health and safety, monitor environmental and regulatory compliance, and ensure our stakeholders' considerations remain front and centre of our decision-making processes when it comes to developing our business plans.

“We are determined to keep improving our culture of integrity and ethics, earn and maintain our partners' trust, and promote a diversified and inclusive governance approach as a framework for informed decision-making.”

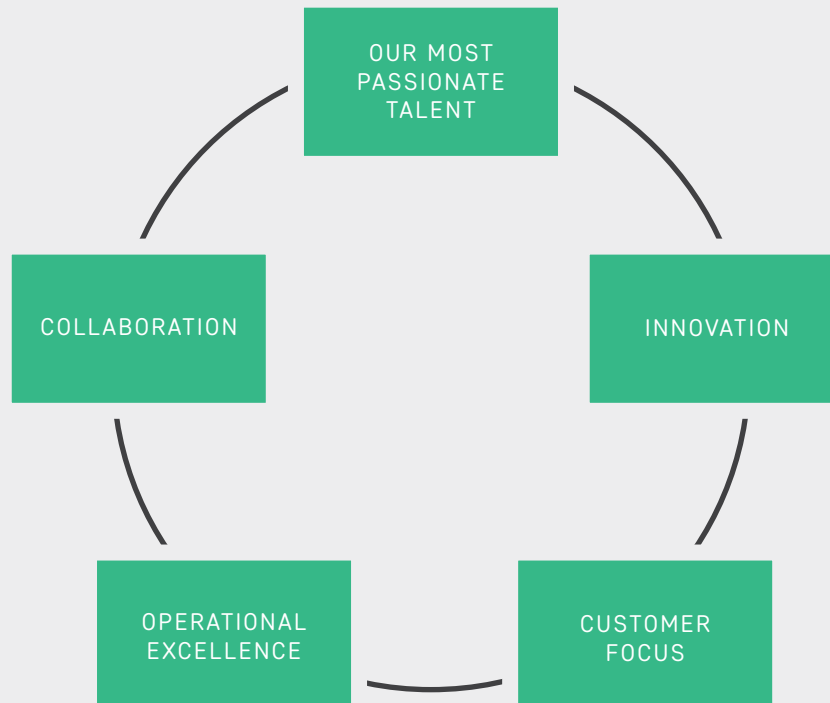
— INGRID STEFANCIC LL.B., FCIS. VICE-PRESIDENT, CORPORATE AND LEGAL SERVICES – CORPORATE SECRETARY

Strategic *Plan*

During the fiscal year covered by this report, the LOGISTEC family implemented a new strategic plan, which provided a roadmap for our organization's growth over the next five years. We held a series of strategic discussions and interviews involving our people, our customers and our partners. This exercise drove home the profound sense of pride that unites us all, not only with regard to our vision and our values, but also our shared objectives.

This unique action plan is part of a broader effort to engage all stakeholders. With this plan, we are not breaking with our past commitments: we are simply kickstarting these efforts with renewed impetus.

THE LOGISTEC FAMILY'S BOLD STRATEGIES ARE BASED ON FIVE PILLARS



Our Strategic Objectives

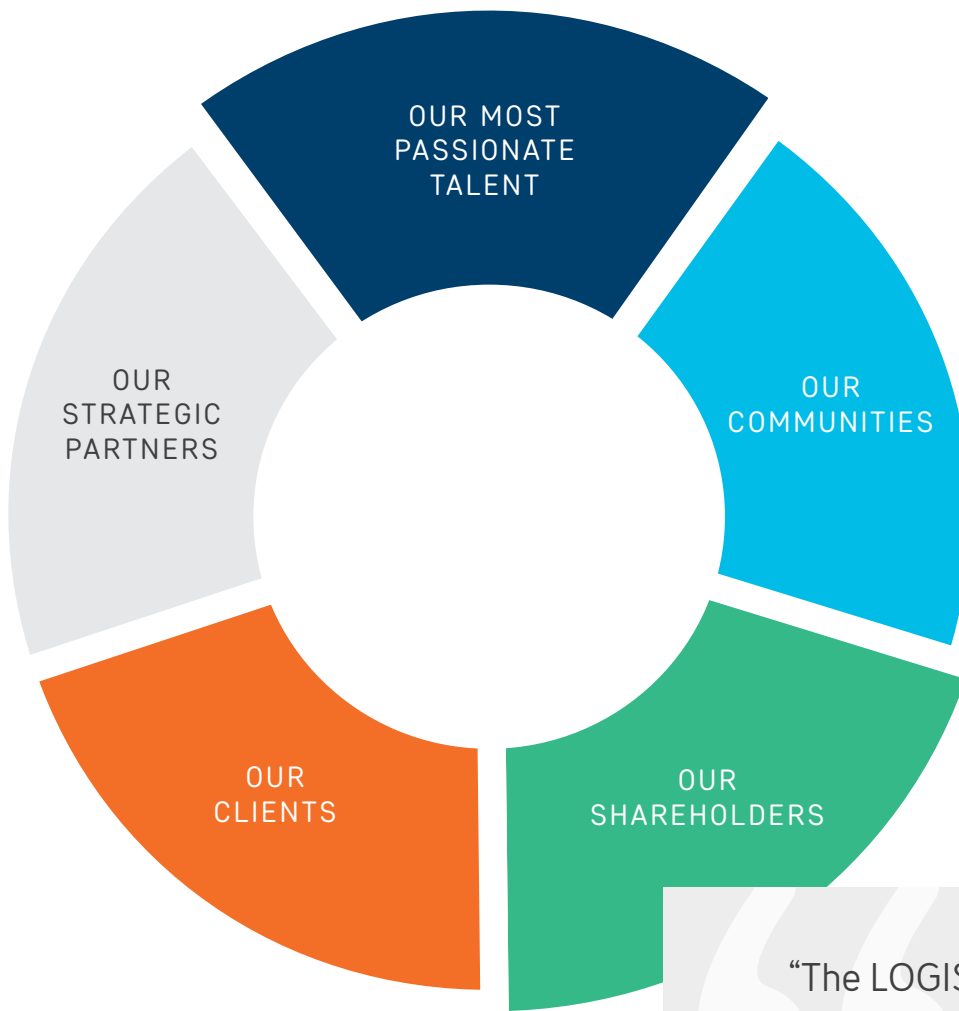
We embrace a dynamic approach to strategic acquisitions, with a focus on deals that are a natural fit with our vision, our mission and our values and that allow us to pursue our development in growth markets.

The over 3,000 talented people in the LOGISTEC family are primed to blaze new trails and challenge the status quo. They are steadfast in their determination to grow our organization. Since resourcefulness is one of the core values in our corporate culture, we are always on the lookout for new practices, innovative solutions and unique business opportunities.

We want to be a leader in operational excellence so we can improve our performance and push the boundaries of innovation, both within our organization and throughout the industry.

Our people are our most precious asset. Talent is what makes LOGISTEC really tick. Attracting, training and keeping the best and the brightest people is vital to our future growth.

We are big believers in the importance of learning and sharing best practices. We encourage sustainable development innovation in all of our operational activities. We pledge to protect the environment and set and maintain high standards of safety so we can build a strong, vibrant and forward-looking company.



“The LOGISTEC family has something that is truly special: a feeling of pride that comes from providing custom-developed solutions to our clients and our communities and from giving the best of ourselves, both individually and as a group. This new growth-oriented momentum builds on what we value over everything else: our people and the unflagging commitment of our customers and partners.”

— MADELEINE PAQUIN
PRESIDENT AND CHIEF EXECUTIVE OFFICER
LOGISTEC CORPORATION

Stakeholders

Our Most Passionate Talent

Our people are our most vital asset at LOGISTEC. Whether they are called upon to lend a hand to their co-workers on a dock or assist a customer on a rehabilitation site, they are quick to roll up their sleeves and share their pride in belonging to the LOGISTEC family. This responsiveness makes our business model even stronger. Our people are fully engaged in and contribute to the success of our organization. We want to continue to capitalize on their resourcefulness to encourage innovative

solutions and speed up the pace of rolling out our sustainable development program.

“Our people are our most precious asset.”

— MADELEINE PAQUIN
PRESIDENT AND CHIEF EXECUTIVE OFFICER
LOGISTEC CORPORATION

Our Communities

We have been partnering with a wide range of communities for the past 60 years and counting. In many instances, we play an integral part in their day-to-day operations.

We are proud of the LOGISTEC family's contribution to social and economic progress in the communities we serve and hope to continue to be there for them for many years to come.

The places where we live and work are deeply important to us, which is why we embed our values into our daily practices. We want to be able to keep contributing to the economic development of these areas by sharing our knowledge and our expertise, by creating jobs and by playing an active role in local life.

Our Shareholders

Our shareholders are the owners of LOGISTEC.

They are directly involved in growing the company and contributing to economic and social progress. We are very fortunate to be able to hold regular,

meaningful discussions with them to solidify their support.

Their commitment and their energy help fuel our success, every single day. This is the foundation upon which we continue to build our company's growth.

Our Customers

Our customer-centric mindset guides us as we work closely with each and every one of our customers to better understand their challenges and opportunities and to come up with innovative solutions moving forward.

These environmental and supply chain solutions help our customers make significant gains in efficiency and environmental performance.

Our Strategic Partners

We pride ourselves on the positive impact we have on our partners. In 2018, we purchased nearly \$249 million CAD in equipment and services from hundreds of suppliers. Supporting diversified and environmentally accountable local suppliers helps us uphold our objective of being an inclusive company and strengthening our community partnerships.

We are also working very closely with strategic partners who meet the following criteria: a solid

understanding of our needs, the recognized quality of their products and services, competitive pricing and availability.

In addition, we are one of the founding members of Green Marine, whose mission is to identify environmental priorities and certify marine companies in Canada and the U.S. based on their environmental performance and concrete measures as implemented.



Our Priorities *and Contributions*

OUR MOST PASSIONATE TALENT

BE AN EMPLOYER OF CHOICE AND DEVELOP THE BEST TALENT

Our people are our greatest asset. By offering them compelling development opportunities, competitive compensation and career advancement possibilities, we motivate them and give them the tools to contribute to our success.

Attracting the best and the brightest. As we prepare to welcome the next generation of the LOGISTEC family, our goal is to hire and onboard the most talented candidates and give them every opportunity to grow and thrive. In 2019, our objective is to continue to invest in our people's abilities and provide opportunities for honing their skills and driving their career forward.

Engagement and innovation. Through our efforts to motivate our people, we strengthen their confidence in their contributions and ensure they feel a sense of ownership in our success. In 2019, we will continue to foster an inclusive culture that leverages our BUILDING THE FUTURE TOGETHER program and empowers multidisciplinary teams to tackle key projects and challenges.

FOSTER A SAFE, HEALTH-FOCUSED WORKPLACE

Safety and security are paramount to the LOGISTEC family. Our ambition is clear: all our people and partners must return home safely at the end of each day. In 2018, we launched a new version of the company's HEALTH, SAFETY AND ENVIRONMENT (HSE) policy. We have also

implemented accident prevention standards in order to earn our Occupational Safety and Health Administration (OSHA) accreditation.

In our day-to-day operations, we embrace learning and sharing of best practices as a path to the enrichment of our people, our partners and our customers. In this spirit, we created the Mitchell Daudier Safety Leadership Award in 2019 to recognize outstanding individual or team contributions to health and safety.

ENVIRONMENTAL STEWARDSHIP

REDUCE EMISSIONS AND PROMOTE ENERGY EFFICIENCY

Over the years, we have built our success on the ongoing pursuit of efficiency and operational excellence. New energy-efficient technologies and the more intelligent use of our existing equipment are two ways we strive to shrink our carbon footprint.

Knowing that transportation is one of the major sources of CO₂ emissions, our environmental services are gradually incorporating hybrid vehicles into our fleet to help meet our teams' work travel needs.

In 2019, we will continue to encourage our people to opt for sustainable transportation solutions. For several years, we have been defraying our team members' public transit costs and we will be trying something new in 2019 by offering them a complimentary year-long BIXI bike-sharing membership.

SEGMENT	GOAL	2019 INITIATIVES
OUR MOST PASSIONATE TALENT	BE AN EMPLOYER OF CHOICE AND DEVELOP THE BEST TALENT	<p>Attract the best and brightest candidates</p> <p>Continue to develop our BUILDING THE FUTURE TOGETHER talent management program</p> <p>Solidify our NEW GENERATION business succession plan</p>
A SAFE, HEALTH-FOCUSED WORKPLACE	PREVENT ACCIDENTS AND INJURIES	<p>Implement accident prevention standards across the LOGISTEC family</p> <p>Obtain OSHA accreditation</p>
ENVIRONMENTAL STEWARDSHIP	REDUCE EMISSIONS AND PROMOTE ENERGY EFFICIENCY	<p>Strengthen the LOGISTEC family's sustainable development program</p> <p>Achieve a Level 3 Green Marine score or higher for all our terminals</p> <p>Introduce an asset management program</p>
	SAVE OUR RESOURCES	<p>Develop a recycling program</p> <p>Develop a ZERO PAPER program with a 20% reduction target</p> <p>Reduce water bottle purchases by 50%</p>
	GREEN UP OUR COMMUNITIES	<p>Launch the "Partners in Planting" initiative in conjunction with Tree Canada to introduce more trees into our communities in a sustainable, environmentally friendly way</p>
COMMUNITY INVOLVEMENT AND INVESTMENT	INVEST IN OUR COMMUNITIES	<p>Develop new guidelines for community commitments and investments</p> <p>Launch a new program: THE LOGISTEC FAMILY IN OUR COMMUNITIES</p>
STRONG GOVERNANCE	DO THINGS RIGHT	<p>Complete risks and internal controls assessments</p> <p>Ensure our directors and offices hail from diverse backgrounds</p>

SAVE OUR RESOURCES

We support the circular economy and work with our partners to reduce waste at the source by offering a broader choice of sustainable products. We encourage everyone in our organization to minimize the waste in our facilities through various means, chief among them our reuse and recycling programs.

Our goal is to reduce material consumption by doing more with less, which optimizes the useful life of existing goods and reduces waste generation. In 2019, we will aim to achieve a Level 3 Green Marine score or higher for each of our ports. A number of projects have been put into place in various terminals, including the ZERO PAPER initiative and a target for reducing single-use plastics through such initiatives as promoting reusable water bottles.

GREEN UP OUR COMMUNITIES

Building on the tree-planting program launched in 2017 by SANEXEN's Green Committee, the LOGISTEC family joined forces with Tree Canada to promote environmental sustainability by making the communities where we work greener. We are delighted at the prospect of further expanding our relationships with our community partners in the coming year.

COMMUNITY INVOLVEMENT AND INVESTMENT

INVEST IN OUR COMMUNITIES

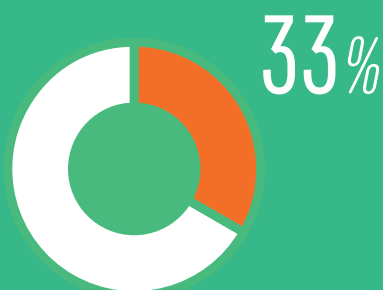
Across our network, we are having an impact on hundreds of communities in Canada and the United States. We firmly believe that it is important to invest in the well-being of these communities. That is why we favour in-community hiring and work with local suppliers as often as we can. In addition, the LOGISTEC FAMILY IN OUR COMMUNITIES events, which come around twice a year, allow our people to get involved in making a difference and giving back to the community.

STRONG GOVERNANCE

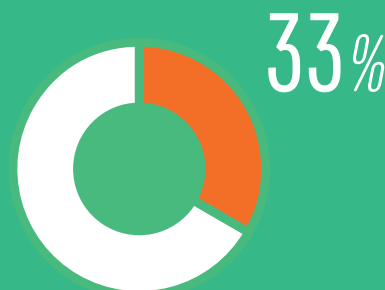
DO THINGS RIGHT

We are proud to be part of a family with its sights set on the future. We have created an environment where our people are free to think outside the box and feel driven to excel. We encourage creative ideas from all team members – women, men, veterans or recruits – because, ultimately, ideas are what propel us forward.

DIVERSITY



4 OUT OF 12 MEMBERS (33%)
OF THE LOGISTEC BOARD OF
DIRECTORS ARE WOMEN



6 OUT OF 18 MEMBERS (33%)
OF OUR LEADERSHIP TEAM
ARE WOMEN



Our Commitments *and Initiatives*

Our sustainable development program was launched to consolidate a number of initiatives introduced by various groups within the LOGISTEC family.

Sustainable Development Initiatives

Green Marine Program

All of our marine terminals have pledged to uphold the principles of the Green Marine program, which provides shipping lines with a dynamic, scalable framework designed to help them enhance their environmental performance. An annual self-evaluation, the results of which are made public, determines the level of certification (on a scale of 1 to 5):

- **Level 1** - Monitoring of regulations
- **Level 2** - Best practices
- **Level 3** - Adopted management plan and measurement of impacts
- **Level 4** - Advanced technologies and/or reduction targets
- **Level 5** - Excellence and leadership

To ensure the transparency of the process, an outside audit must be performed every two years to maintain Green Marine certification.

The voluntary program is designed to allow participants to demonstrate continued and measurable improvements. This entails evaluating each of the environmental issues surrounding a given activity using a set of performance indicators. These indicators are then evaluated on the Green Marine scale of 1 to 5. As we are registered in the program for terminals and shipyards, our six performance indicators are as follows:

1. REDUCE GREENHOUSE GAS (GHG) AND AIR POLLUTANT EMISSIONS

This performance indicator aims to reduce GHG and air pollutant emissions such as sulphur oxides (SOx), nitrogen oxides (NOx) volatile organic compounds (VOCs) and particulate matter (PM). It focuses primarily on transportation activities in marine terminals and the combustion of vehicle fuel responsible for air emissions. Companies that commit to reducing their GHG and air pollutant emissions are required to quantify their results, set reduction targets and implement the corresponding measures.

EXAMPLES OF INITIATIVES TAKEN BY SELECT TERMINALS:

- Introduction of procedures to limit engine idling
- Introduction of appointment systems to reduce congestion
- Promotion of the use of public transit

2. PREVENTION OF SPILLS AND LEAKAGES:

The purpose of initiatives in this category is to minimize the risks of spills and leakages of pollutants into the water or soil in and around the terminal. Most terminal operations occur outside and require the use of equipment and petroleum products as well as the handling of cargoes that are potentially harmful to the environment. This indicator therefore focuses on preventing and curtailing pollution of land and water ecosystems.

EXAMPLES OF INITIATIVES TAKEN BY SELECT TERMINALS:

- Introduction of refuelling procedures
- Introduction of emergency kits in strategically located areas within terminals
- Implementation of a procedure and training on how to act in case of a spill

3. DRY BULK HANDLING AND STORAGE:

This indicator applies only to terminals that process dry bulk. The objective is to reduce cargo losses and dust generated during the handling, transportation and storage of dry bulk, which may have a long-term impact on the environment. Recovery, inspection and equipment maintenance devices are used to control cargo residues and improve operational planning.

EXAMPLES OF INITIATIVES TAKEN BY SELECT TERMINALS:

- Coverage of dry bulk piles
- Sweeping and/or cleaning of critical areas to limit the spread of dust
- Use of enclosed conveyors and/or a system to reduce dust

4. HARMONIZED USE:

The objective of harmonizing use is to reduce the amount of noise, dust, odour, light and other nuisances to which people residing close to port facilities are exposed. This indicator involves the implementation of concrete measures to reduce the impact of terminal operations by streamlining operational practices and facilitating dialogue.

EXAMPLES OF INITIATIVES TAKEN BY SELECT TERMINALS:

- Setup of a complaint management procedure
- Responsible management of operations to limit community impacts (management of lighting, noise, dust, traffic congestion, etc.)

5. ENVIRONMENTAL LEADERSHIP:

The purpose of this indicator is to encourage and recognize the implementation of original and exemplary environmental initiatives by marine companies. Environmental leadership is ensured by port authorities to influence marine terminal activities by incorporating the environmental cause in programs, policies and various agreements.

EXAMPLES OF INITIATIVES TAKEN BY SELECT TERMINALS:

- Setup of an external audit system every three years
- Encouragement of involvement in community activities

6. WASTE MANAGEMENT:

This last indicator focuses on reducing waste arising from administrative activities and site operations, and increasing recycling. To minimize the overall quantity of waste requires implementing recycling tools, conducting a waste characterization campaign and supporting ongoing training for personnel.

EXAMPLES OF INITIATIVES TAKEN BY SELECT TERMINALS:

- Promotion of recycling in terminals
- Support for the purchase of reused/ recycled materials

From a legal point of view, we make sure that all our terminals are audited every two years. The findings are reviewed and corrective measures put into place.

- The first evaluation took place in summer 2016.
- All actions that fell under the terminals' authority were implemented to address non-compliances
- Some corporate initiatives are currently in the development stage to help guide terminals on areas that are more general in nature:

- Guide for storing petroleum products
- Guide for managing halocarbons
- Setup of an Environment and Innovation Committee to improve water management and dust emissions
- Harmonization of various emergency measures plans.

Environmental Services

OUR RAISON D'ÊTRE

Our SANEXEN environmental team is made up of 450 people with varying skill sets. This diversity of experience is essential to developing and delivering turnkey projects.

In 2017, we helped reduce the impacts of the contamination of soil, water and hazardous waste, with the following results:

Quantity of contaminated soil remediated: 500,000 tonnes

Quantity of contaminated soil treated: 64,000 tonnes

Quantity of water treated: 193,000 m³

CONSTANTLY ON THE LOOKOUT FOR INNOVATIVE SOLUTIONS

The Innovation and R&D – Engineering Departments of SANEXEN are constantly on the lookout for new solutions in the field of environmental technologies for water treatment, waste management and underground pipe rehabilitation applications. Many of these projects are carried out with the cooperation of public-sector research centres at the provincial, national and international level, along with universities and select college technology transfer centres. Here are a few projects that are currently underway or that were completed:

1. Search for emerging contaminants in water treatment to develop solutions to new issues in watercourse pollution

2. Project to recover waste (insulated panels and sound berms) from sorting centres
3. Development of ex situ/in situ processes for treating contaminated soils
4. October 2018: A \$1-million grant was received by SANEXEN from Sustainable Development Technology Canada (STDC) to allow the Innovation team to advance its unique seamless structural water technology known as AQUA-PIPE™. To achieve its objectives in this regard, SANEXEN initiated an ambitious demonstration testing program at Cornell University to focus on research and large-scale laboratory testing. The work will be performed in partnership with Canadian and U.S. water utilities.

WATER SUPPLY TECHNOLOGY

Regarding underground water pipe remediation technology, SANEXEN developed a new trenchless water main rehabilitation process in the early 2000s. This technology was designed for municipal and industrial applications where current water distribution facilities are at the end of their useful life and require substantial maintenance.

This technology also makes it possible to significantly reduce water loss in municipal facilities, cut down on greenhouse gas emissions and minimize sources of public nuisance.

“We also continued our work to secure the social acceptance of our projects in order to improve our on-site teams’ understanding of local realities, gather residents’ feedback more efficiently at every step of the process and guide everyone’s efforts to enhance the satisfaction indicators for the various stakeholders.”

— ÉRIC SAUVAGEAU
EXECUTIVE VICE-PRESIDENT, SANEXEN

DOING OUR PART FOR A SMALLER CARBON FOOTPRINT

SANEXEN is committed to respecting the environment and reducing its carbon footprint across the various project planning and management stages of its activities. Accordingly, a number of sustainability-related initiatives have been put into place and are now an integral part of our management practices. They can be divided into four categories:

1. OVERALL ENVIRONMENTAL MANAGEMENT

At the initial project planning stage, environment, health, safety and legal risks are identified. This approach lets us ensure that the appropriate controls are in place based on the type of work, the level of risk and the corresponding regulatory requirements. Examples of controls of this nature might include a program for specific work compliance to monitor particular environmental impacts (public nuisance, spills, water management, air emissions, etc.). All environmental incidents are documented in accordance with our incident analysis process. The results are then compiled, the root causes analyzed and the corrective measures outlined.

AQUA-PIPE™ BY THE NUMBERS

50 *years*

LIFE SPAN OF THE LINER

25%-30%

SAVINGS COMPARED TO TRADITIONAL REPLACEMENT TECHNIQUES

16 ^{MILLION} *m³*

SAVINGS IN DRINKING WATER IN 2017 DUE TO FEWER LEAKS

REDUCTION IN LAND EARMARKED FOR LANDFILL AND USE OF BACKFILL:

IN 2017 ALONE, REDUCTION OF

281,000 *tonnes*

OF LANDFILL SPACE AND SAVINGS OF

1,509,000 *tonnes*

OF BACKFILL

REDUCTION IN GHG EMISSIONS COMPARED WITH THE “TRADITIONAL” METHOD

IN 2017 ALONE, REDUCTION OF

37 *tonnes CO₂* 66.7 *tonnes NO_x*

9.5 *tonnes PM* 7.4 *tonnes VOCs*

NO SUBSEQUENT WORK ON REHABILITATED PIPE

REDUCTION IN COST RELATED TO THE PRODUCTION AND PUMPING OF DRINKING WATER

PREVENTION OF FUTURE WATER MAIN BREAKS

REDUCTION IN SOCIAL AND ECONOMIC COSTS (LOCAL TRAFFIC, BUSINESS, ETC.)

SANEXEN's Green Committee

The Green Committee created by our people makes it possible to implement best practices in environmental protection within the organization. The core mission of the committee is part and parcel of SANEXEN's Environment, Health and Safety (EHS) Policy. It focuses on minimizing the carbon footprint of the activities engaged in by the organization and various teams.

The Committee's efforts have led to various achievements in line with sustainable development issues. In conjunction with the EHS Department, the Committee's actions will be used to establish an environmental performance indicator for all SANEXEN activities.

2. REDUCTION IN GHG EMISSIONS

A number of projects have been implemented to offset part of the GHG emissions generated by the company's operations, especially those related to individual transportation.

CO₂ Offset Project

In 2017, 25 team members took part on a voluntary basis in a carbon offset project for their personal transportation. As a result, 500 trees were planted in an unwooded area, thus offsetting the equivalent of 91 tonnes of CO₂. In 2018, 1,000 trees were planted in partnership with Tree Canada in an effort to green up the communities where we work. This represents the equivalent of 167 tonnes of CO₂.

Transportation

Since motor vehicles are a major source of CO₂ emissions, SANEXEN is committed to gradually acquiring hybrid vehicles for use for work-related travel. The corresponding decrease in fuel consumption helps reduce GHG emissions. We also see to the careful maintenance of all company vehicles, which helps to curb the emissions they generate over the long term.

Sustainable Transportation

In addition to the other measures adopted with regard to sustainable transportation (i.e., free public transit passes and annual BIXI memberships in 2019), other initiatives are currently being studied, such as the installation of electric vehicle charging stations at SANEXEN's head office and the optimization of sustainable development alternatives (carpooling, solutions for encouraging cycle-commuting outside of Montreal, etc.).

3. WASTE MANAGEMENT

A number of initiatives linked to the optimized management of waste generated by our operations have been put in place.

RECYC-QUÉBEC Recognition Program

In 2018, the SANEXEN team set out to obtain certification under the ICI on recycle + program by RECYC-QUÉBEC. We were successful in achieving Level 2 (Performance) status, which recognizes our results in the reduction, reuse and recycling of waste materials. This acknowledgement will help us continue to hone our internal practices.

The Green Committee's efforts, a few examples of which are listed below, were instrumental in obtaining this certification:

- Introduction of reusable kitchen dishes and utensils
- Design of a notepad made with recycled paper
- Ban of water bottles in the head office and installation of a filtered water drinking fountain
- Arrangement with an accredited supplier to recycle various products related to extended producer responsibility (batteries, computer equipment, light bulbs, etc.)

ZERO PAPER

A paper reduction target of 20% has been set by SANEXEN as part of the ZERO PAPER project. We acquired a printer management application to monitor paper use in real time. At the end of 2018, we calculated the amount of printing paper used and, in 2019, we will analyze the findings in light of this objective. Every month, we will share the previous month's printing statistics through the SANEXEN internal portal.

Ban on Single-Use Water Bottles

There have been no water bottles purchased within the organization since early 2018, which works out to some 700 fewer bottles discarded. In addition, all team members have been given a free water bottle and mug and participate actively in generating less waste by using reusable dishes and dishcloths. This represents 25,000 paper cups and 50,000 disposable utensils diverted from the waste stream every year in SANEXEN's offices alone.

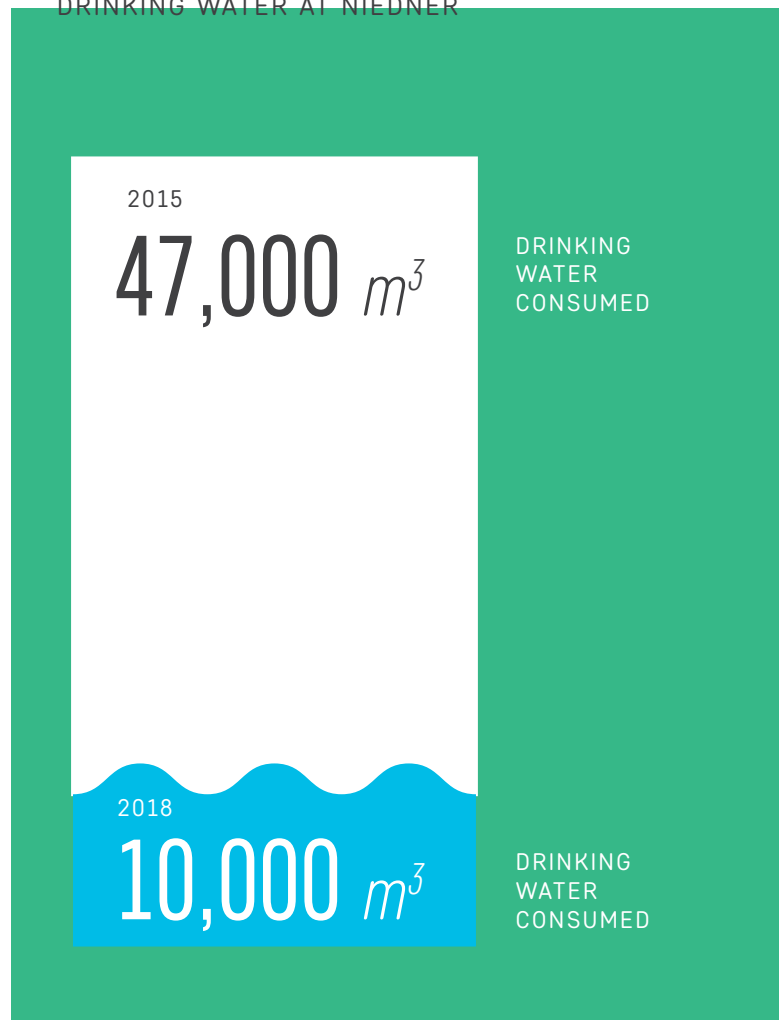
Recovery of Drinking Water

The NIEDNER team has implemented two drinking water recovery projects. The first involves recovering the water needed to pressurize firefighting materials prior to delivery to customers. The second entails recovering drinking water to chill the hermetic liner embedded in its products after the extrusion process. These changes mean that the company uses approximately five times less drinking water in its production procedures.

4. SPILL PREVENTION

All our vehicles undergo regular preventive maintenance to ensure that they are in good working condition in order to prevent petroleum product spills. If any operations are carried out near a watercourse, we put special precautions in place, including the use of biodegradable hydraulic oil, work zone restrictions and a spill management kit. In addition, a specific area is set aside for the refuelling of our vehicles, and a work procedure has been developed to avoid spills. Any incidents that do arise are documented in a formal report. We adhere to best practices and provide our workers with the appropriate training to minimize their frequency.

REDUCTION IN CONSUMPTION OF DRINKING WATER AT NIEDNER



Community Involvement and Investment

“From day one, the LOGISTEC family has encouraged all of our teams to make a meaningful contribution to the social and economic progress of our communities by getting involved at the local level, by suggesting how to make things better and by inspiring innovation.”

— MADELEINE PAQUIN
PRESIDENT AND CHIEF EXECUTIVE OFFICER
LOGISTEC CORPORATION

The LOGISTEC family plays an active role in the day-to-day life, and the social and economic progress, of our communities. Investing where the LOGISTEC family operates is one of the best ways of helping them be stronger, safer and more resilient.

- We actively encourage our people to become socially engaged in causes, endeavours and organizations they care about. This engagement will help affirm our own leadership in our communities and rally our people around promising projects that will also be theirs.
- We strive to promote and recognize the involvement of our people who are giving back to their respective communities. To support them in their efforts, we are launching

THE LOGISTEC FAMILY IN OUR COMMUNITIES program focusing on charities and causes that are important to them. A group of five people, supervised by the LOGISTEC Executive Committee, manages a set budget for this purpose.

- The LOGISTEC family is committed to establishing a strong presence in the environmental sector. This initiative will be directed toward organizations and projects that are aligned with LOGISTEC's sustainable development vision.

There are many causes that are deserving of financial support. Unfortunately, we cannot help them all. We have developed guidelines to shape and inform these important investment decisions.

GUIDELINES

These guidelines are meant to ensure our efforts and investments yield the best possible results. The percentage of the LOGISTEC family's budget earmarked for donations stays the same, but these new guidelines will help reorient the philanthropic choices made in the coming years.

We are interested in forming partnerships and contributing to organizations that allow us to fully assume our role as a socially responsible organization. We seek to do so in sectors that are attuned to our identity, our values and our strategic plan, namely:

- Development of our passionate talent
- Humanitarian endeavours
- Health and safety
- Environment and drinking water

We lend our support to organizations active in communities where our people work. We will also reach out to local and national non-profits through our program THE LOGISTEC FAMILY IN OUR COMMUNITIES. And we are happy to back the efforts of our team members who volunteer their time to various causes related to social solidarity and mutual assistance.

SEGMENT/VALUE	RELIABILITY	IMAGINATION	GOING BEYOND	SUSTAINABILITY
DEVELOPMENT OF OUR TALENT		LOGISTEC SCHOLARSHIP U.S. university	ROGER PAQUIN SCHOLARSHIP	
HUMANITARIAN ENDEAVOURS	Centraide/United Way			
HEALTH AND SAFETY		Montreal Neurological Institute and Hospital	Grand défi Pierre Lavoie	Multiple Sclerosis Society of Canada
ENVIRONMENT AND DRINKING WATER			Safe Drinking Water Foundation	Tree Canada

EXCLUSIONS

At LOGISTEC, we recognize that all undertakings, organizations and causes have a purpose and may warrant special attention. We have nevertheless established that we will not lend our support to the following:

- Causes that run counter to LOGISTEC's values
- Religious groups
- Social and service clubs

- School projects by children of our team members (funding for school camps, sports teams, student exchange programs, etc.)
- Professional-calibre sports teams

Giving Back to *Our Communities*

We are proud to incorporate Indigenous communities into all of the LOGISTEC family's projects in a variety of ways.

Nunavut Eastern Arctic Shipping (NEAS) Inc. directly supports the sustainable social and economic development of the Canadian communities where it operates, specifically the remote areas of the Eastern and Western Arctic, by competitively delivering reliable services and respecting local environments. Over the years, NEAS has developed strategic partnerships with key Inuit companies to help create more work, as well as to provide cargo transportation services to the various Inuit communities, thereby generating opportunities for local Inuit to meaningfully participate in economic development in the marine transportation business. NEAS also delivers unmatched training, employment and job promotion opportunities in addition to encouraging Inuit ownership and investment in vessels.

SANEXEN is a partner in two Inuit companies (Qikiqtaaluk Environmental in Nunavut and Avataani in Nunavik). Both Indigenous partners actively participate in business development, strategic decisions, operations and profit-sharing. For projects in the North, these two companies make it point to do business with local Inuit subcontractors and suppliers. In 2018, SANEXEN created a \$5,000 annual scholarship for an Inuit student from Nunavik enrolled in an environmental studies program.

As part of SANEXEN's other projects in Indigenous communities (e.g., Cree communities in James Bay and the Quebec North), economic benefits are maximized by using local resources (excavation contractor, heavy equipment, general labour) and limiting specialized on-site personnel (technicians, asbestos and mould removal supervisors,

hazardous waste experts, etc.) to those working for the company.

For a major project to decontaminate the Mid-Canada Line Site 500 (Winisk), a former military base in northern Ontario, SANEXEN established a specific partnership with the local Indigenous community in Peawanuck to maximize the resulting benefits to the local economy. As a result, more than \$5.9 million of economic spinoffs were generated: 70% in project-related labour sourced from the community, vehicle and heavy equipment leasing, and subcontracting to a range of local contractors.

Moreover, SANEXEN provided specialized training to local workers, thereby allowing the community in Peawanuck to:

- Acquire heavy equipment, trucks and petroleum storage systems
- Obtain funding to build a new play area
- Get sponsors for a fishing tournament and community celebration
- Receive funding for a community program to promote children's health
- Publish a monthly newsletter for local residents
- Hire an Indigenous community liaison officer
- Organize a yearly community consultation in the village

The Road Ahead

The LOGISTEC family is always ready to do more and do better. We have made huge strides forward over the years by inspiring our people, our customers and our communities to build a promising and sustainable future together. In the coming months, we plan to work even harder and develop a platform to monitor our sustainable development performance. This platform will allow us to:

- Document all sustainable development initiatives and finalize a form for our DRIVING INNOVATION FOR A SUSTAINABLE FUTURE program
- Identify key performance indicators and metrics for all of our teams and measure our progress
- Share our best practices with all the teams in the LOGISTEC family as well as our customers, partners and communities





Thank You

The LOGISTEC family thanks all stakeholders who have contributed to this report and for joining us in DRIVING INNOVATION FOR A SUSTAINABLE FUTURE.

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