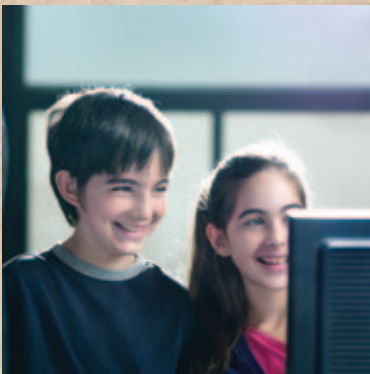




RESPONSIBLE



PERFORMING



RESPECTFUL

2013 SUSTAINABILITY REPORT

SUMMARY SHEET

“Our first sustainability report, which is based on the fourth-generation Global Reporting Initiative (GRI) Guidelines, is proof that our company has reached a level of maturity in the area of social responsibility. This is now part of how we work and encourages us to pursue our efforts. With all our cards on the table, we have engaged in conversation with the community.”

— Sophie Brochu
President and Chief Executive Officer

NOTE TO THE READER

This summary sheet provides an overview of Gaz Métro priority issues and achievements relating to sustainable development in fiscal 2013 (October 1, 2012 to September 30, 2013). The content is detailed in the sustainability report, which meets the requirements of the fourth-generation (G4) GRI Guidelines. **To view the complete report, please visit:** gazmetro.com/sd

ABOUT OUR APPROACH

Gaz Métro compiled and analyzed the aspects its external stakeholders considered to be priorities. The assessment of these aspects was compared with that carried out by internal stakeholders. The outcome of the analysis is presented in the materiality matrix table.

SUSTAINABLE DEVELOPMENT GOVERNANCE

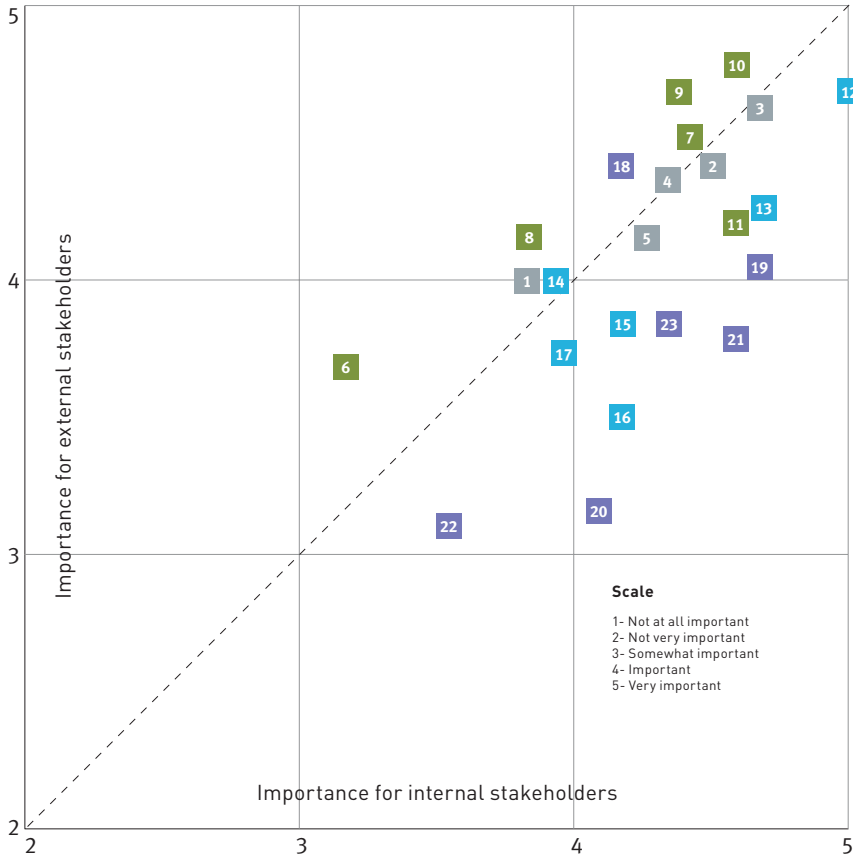
Internal sustainable development structure

- ↪ Sustainable Development Committee (representatives of the Renewable Energy, Employees, Culture and Environmental Management, Regulation, Finance, and Internal Audit sectors, in addition to members of the Sustainable Development sector team)
- ↪ Strategy, Communication and Sustainability Vice-Presidency
- ↪ Steering Committee for the Cap and Trade System for Greenhouse Gas Emissions Allowances (C&T system)
- ↪ Donations Committee

ETHICS AND INTEGRITY

Ethics at Gaz Métro are not limited to a purely rule-based effort. They are founded on shared values as well as meaningful actions that confirm the maturity of this approach.

Ethics achievements in 2013: Adoption of an ethics roadmap and a three-year action plan.



Legend ⁽¹⁾



GOVERNANCE ISSUES

- 1. Socially responsible procurement
- 2. **Collaborating and consulting with stakeholders**
- 3. **Legal compliance**
- 4. **Social acceptability of the product**
- 5. **Communication and reporting**



ENVIRONMENTAL ISSUES

- 6. Internal energy consumption
- 7. **Management of impact of the gas network**
- 8. Internal waste managements
- 9. **GHG management**
- 10. **Leaks and spills**
- 11. **Energy efficiency**



SOCIAL ISSUES

- 12. **Safety of the gas network**
- 13. **Employee health and safety**
- 14. Training and skills development
- 15. Work environment
- 16. Succession management
- 17. Community involvement



ECONOMIC ISSUES

- 18. **Research and development**
- 19. **Gas procurement**
- 20. Growth and development
- 21. Customer satisfaction
- 22. Price of natural gas
- 23. Regulatory and legislative constraints

(1) The classification of issues into four categories is not mutually exclusive (governance, environmental, social and economic issues).

Note: The issues in bold in the materiality matrix graph are those that received a score over 4 (important), both internally and externally.

As a responsible enterprise, Gaz Métro particularly intends to meet the needs of present generations without compromising the ability of future generations to respond to theirs.

RESPONSIBLE
ENTERPRISE



DIRECT GREENHOUSE GAS EMISSIONS

Since 2002,

33.1%
reduction in
GHG emissions
compared
with 1990



GHG REDUCTIONS

Various initiatives in recent years have enabled recurrent reductions in GHG emissions generated by our operations. Two new activities were launched in 2013. However, given previous GHG reduction initiatives, it is becoming increasingly difficult to meet our annual reduction target. That is why Gaz Métro had to purchase offset credits in 2013.

Annual reduction target (t CO₂ equivalent): **350**

DIRECT GHG EMISSION REDUCTION INITIATIVES (t CO ₂ equivalent)	FISCAL 2013
Conversion of vehicles from gasoline to natural gas	33
Construction of LEED building	9
Gold Standard transition certified offset credits	325
Total direct GHG emissions reductions for 2013	367

ENERGY

REDUCTION
OF ENERGY
CONSUMPTION

< 0.11 GJ/sq. ft./year
at head office:
Target met



< 0.14 GJ/sq. ft./year
in business offices:
Target in process
of being met

New regional
office in
Rouyn-Noranda
in process of being
**certified LEED CI
Silver**

**873 kg
of compost**

produced in our cafeteria
was distributed to employees
in 2013

REDUCTIONS
IN ENERGY REQUIREMENTS
OF PRODUCTS AND SERVICES

Since 2001
100,000
energy efficiency
projects involving
our customers:

Cumulative
savings of
±340 million m³
of natural gas

Net savings
for participants:
+ \$100 million

97% of the
consumption
reduction target

set by the
Government
of Québec for 2015

LEAKS, SPILLS
AND ENVIRONMENTAL
CONTAMINATION

0 significant
spills or leaks
in 2013

MANAGING THE SAFETY OF THE
NETWORK

In **9** out of **10** emergency
situations, Gaz Métro is on site
in **35** minutes or less

Over **18,000** preventive
maintenance activities
are completed each year

Safety awareness campaign
for Gaz Métro employees



As a performing enterprise, Gaz Métro cultivates excellence and endeavours to achieve the best results for itself and its business partners.

PERFORMING ENTERPRISE



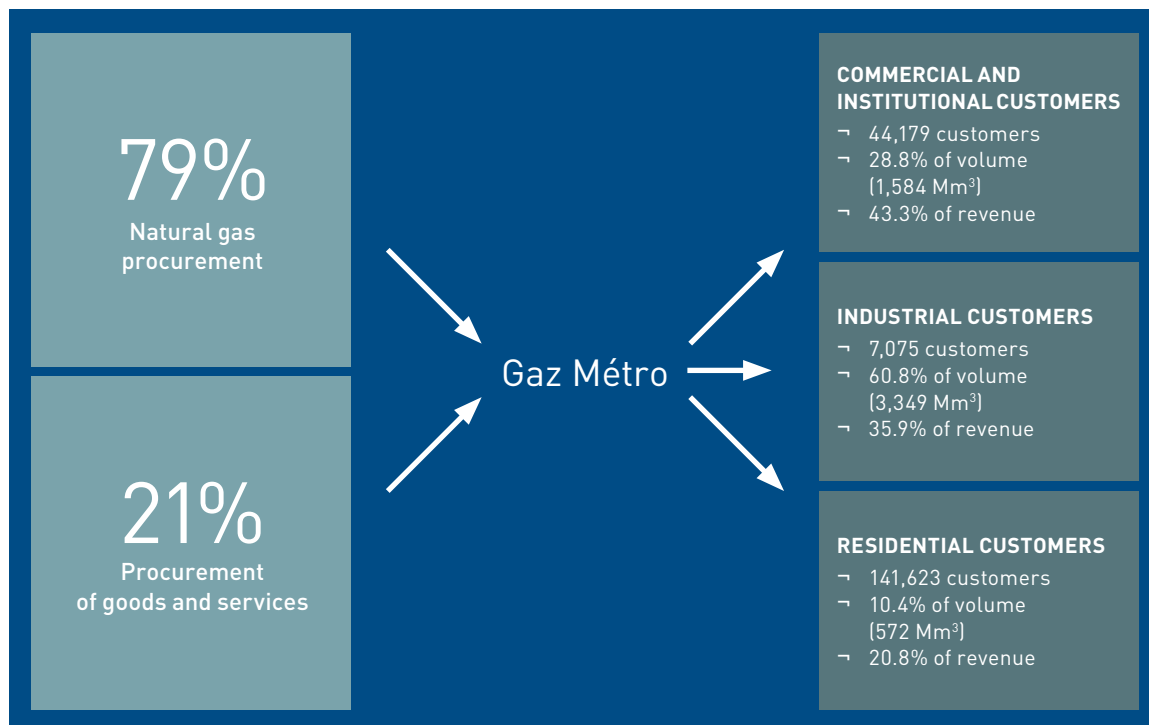
Our profits
grew by more than
25%



The economic value retained figure of \$197 million represents the wealth created in Québec, net of payments to providers of capital, from the spinoffs associated with the activities of Gaz Métro, its subsidiaries and joint ventures.

DIRECT ECONOMIC VALUE GENERATED AND DISTRIBUTED (fiscal 2013) (in thousands of dollars)	CONSOLIDATED
Revenues	2,253,279
Economic value distributed (operating costs, employee wages, taxes, donations, financial expenses, etc.)	1,755,861
Economic value retained (before payments to providers of capital)	497,418
Payments to providers of capital	300,435
Economic value retained	196,983

GAZ MÉTRO'S SUPPLY CHAIN



NATURAL GAS PROCUREMENT

Agreement with TransCanada PipeLines Limited (TCPL) and other gas distributors in Eastern Canada to increase our supplies from Dawn, a gas hub in Southern Ontario.

SOCIAL ACCEPTABILITY OF THE PRODUCT

More and more questions are being asked about sourcing of the natural gas we distribute and its extraction process. Gaz Métro will continue to monitor developments in this area, particularly in the wake of some major studies.

START OF IMPLEMENTATION OF A RESPONSIBLE PROCUREMENT PROCESS FOUNDED ON THREE PILLARS

- 1) supplier code of conduct;
- 2) responsible procurement policy; and
- 3) review of criteria used in our requests for proposals.

As a respectful enterprise, Gaz Métro fully considers the interests and expectations of its customers, investors, employees and communities.

RESPECTFUL
ENTERPRISE

Donation to
the community

1%

of pre-tax profits



Pre-tax profits (excluding profits of U.S. subsidiaries)	\$128,077,000
Multiplied by 1%	\$ 1,280,770
Actual donation based on Imagine criteria	\$1,349,452

Gaz Métro and the Union des municipalités du Québec signed a historic framework agreement that **provides for equitable cost sharing.**



Gaz Métro offers greater access to **financial aid for initiatives** promoting energy efficiency in **low-income households.**

HEALTH AND SAFETY

A strategic objective

Gaz Métro strives to meet the highest possible standards of health and safety. It does so with initiatives such as the internal awareness campaign called “360 degrés d’attention” (360 degrees of caution), which calls for all-around vigilance as a way to increase prevention.



CUSTOMER SATISFACTION

Percentage of customers who gave the company a rating of 8 or more out of 10:

94.2%

OPERATIONS HAVING A SIGNIFICANT OR POTENTIAL IMPACT ON LOCAL COMMUNITIES

In 2013, 516 activities with a potential environmental impact on local communities were listed in the Environmental Management System (EMS), 39% of them considered of having a potentially significant impact.

Work accident rate for 2013:

1.83

Target: 2.29

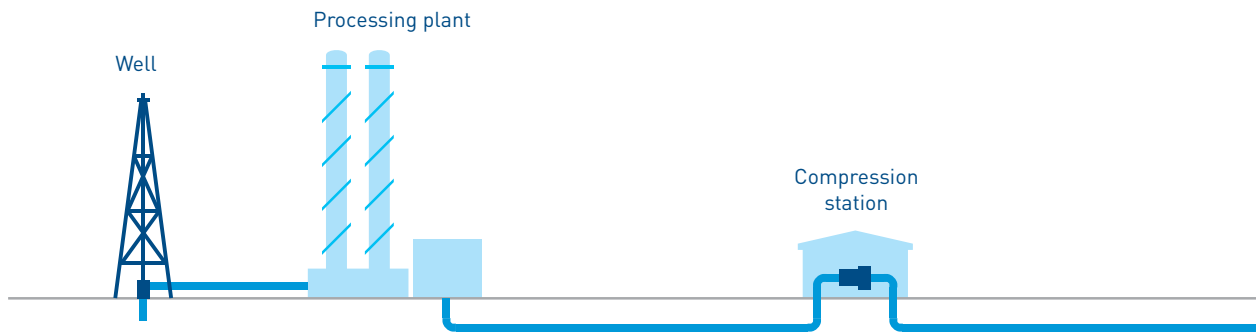
THEMATIC WORKSHOPS, FAMILY ACTIVITIES AND HOMEWORK HELP PROGRAMS

Each year, **ruelle de l’avenir**, the end result of a successful partnership between Projet 80, Gaz Métro and the Commission scolaire de Montréal, **provides support to 1,300 young Montrealers.**

The following diagram shows five steps in the natural gas procurement process, from production to consumption.

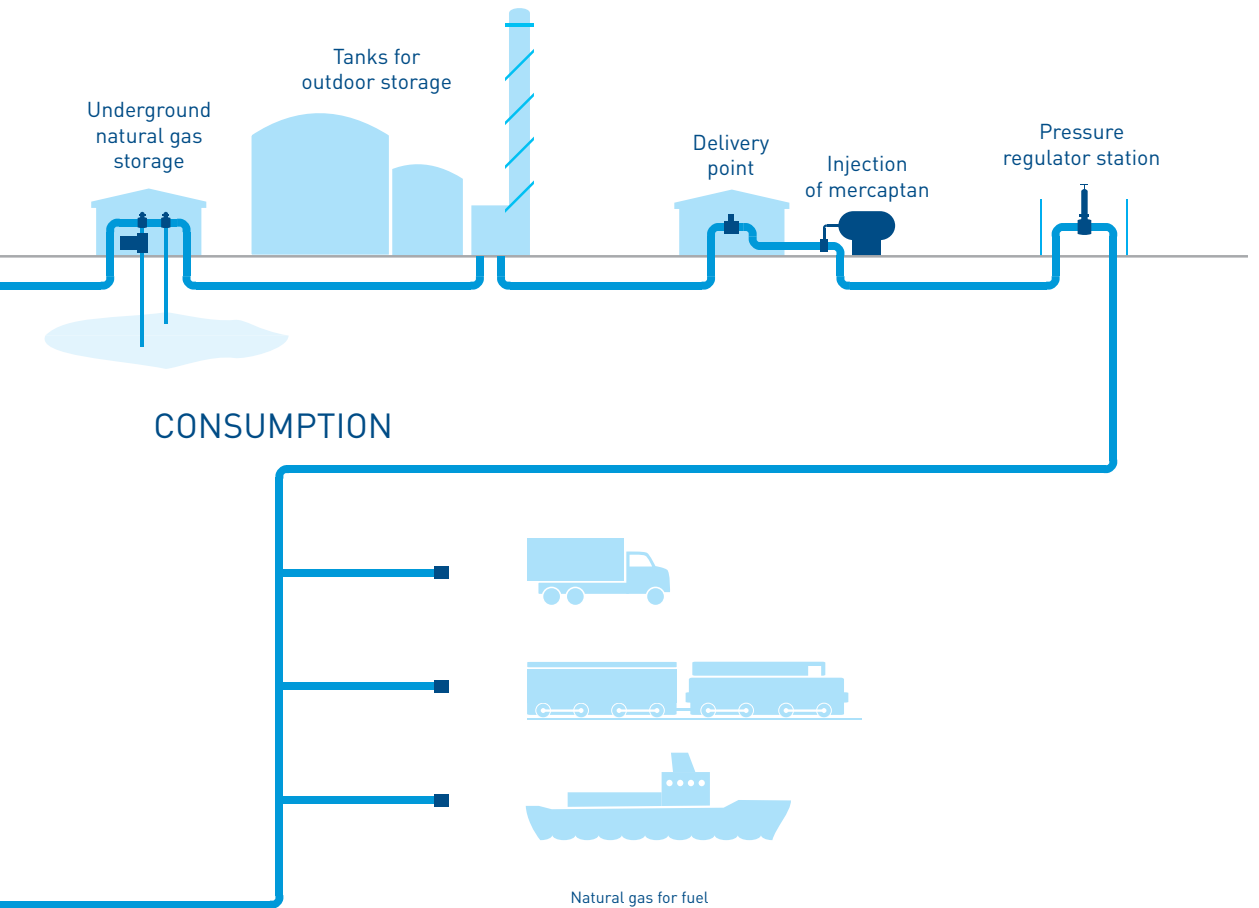
PRODUCTION

TRANSPORT



STORAGE

DISTRIBUTION



QUÉBEC

NATURAL GAS

- +10,000 km of pipeline in Québec
- 300 municipalities served
- 192,000 customers



LIQUEFIED NATURAL GAS

- Creation of Gaz Métro LNG
- Three new ferries will operate using liquefied natural gas
- Demonstration project: a locomotive fuelled with natural gas



BIOMETHANE

Several projects in development to inject biomethane into Gaz Métro's network, among others, in Saint-Hyacinthe



WIND POWER

- 340 MW
- The Seigneurie de Beauré wind power projects



NATURAL GAS AS FUEL

The Blue Road
A-20/H-401

Refuelling stations:

- Boucherville
- Cornwall
- Mississauga
- Lévis (Saint-Nicolas)
- Rivière-du-Loup (future)



NATURAL GAS PIPELINES

Champion Pipe Line Corporation
97 km

Financial interests in:

- Trans Québec & Maritimes Pipeline (TQM) 572 km
- Portland Natural Gas Transmission System (PNGTS) 479 km



VERMONT

NATURAL GAS

- 1,246 km of pipeline
- 46,000 customers



COW POWER & SOLAR

- 18,000 MWh Production of cow power per year
- 719 kW (installed capacity in solar energy; target: 10 MW by 2015)



ELECTRICITY

- 32 hydroelectric dams that produce 400,000 MWh per year
- 260,000 customers



WIND POWER 69 MW

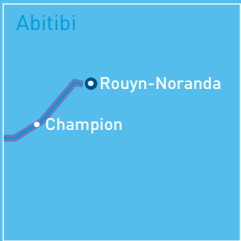
- 63 MW Kingdom Community Wind
- 6 MW Searsburg



NATURAL GAS STORAGE

- Natural gas liquefaction, storage and regasification plant in Montreal East
- Financial interest in Intragaz: 2 underground natural gas storage sites (Pointe-du-Lac; Saint-Flavien)





Montreal

Cornwall

TQM • THE BLUE ROAD

Québec

Baie-Comeau

Matane

Tadoussac

Rivière-du-Loup

Godbout

New York

VGS

Lowell

Burlington

Rutland

New Hampshire

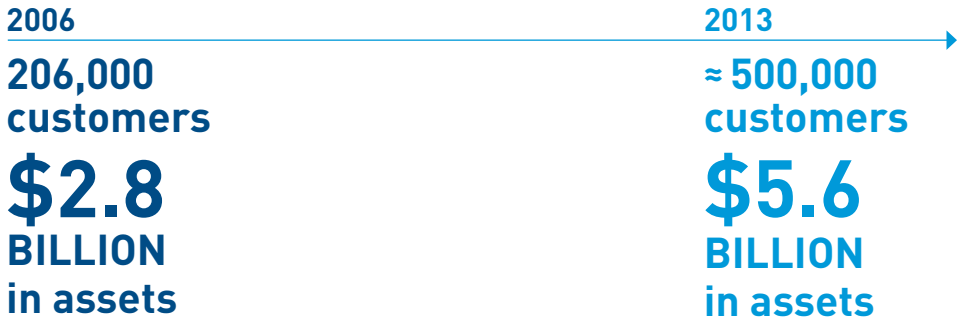
• PNGTS

Westbrooke

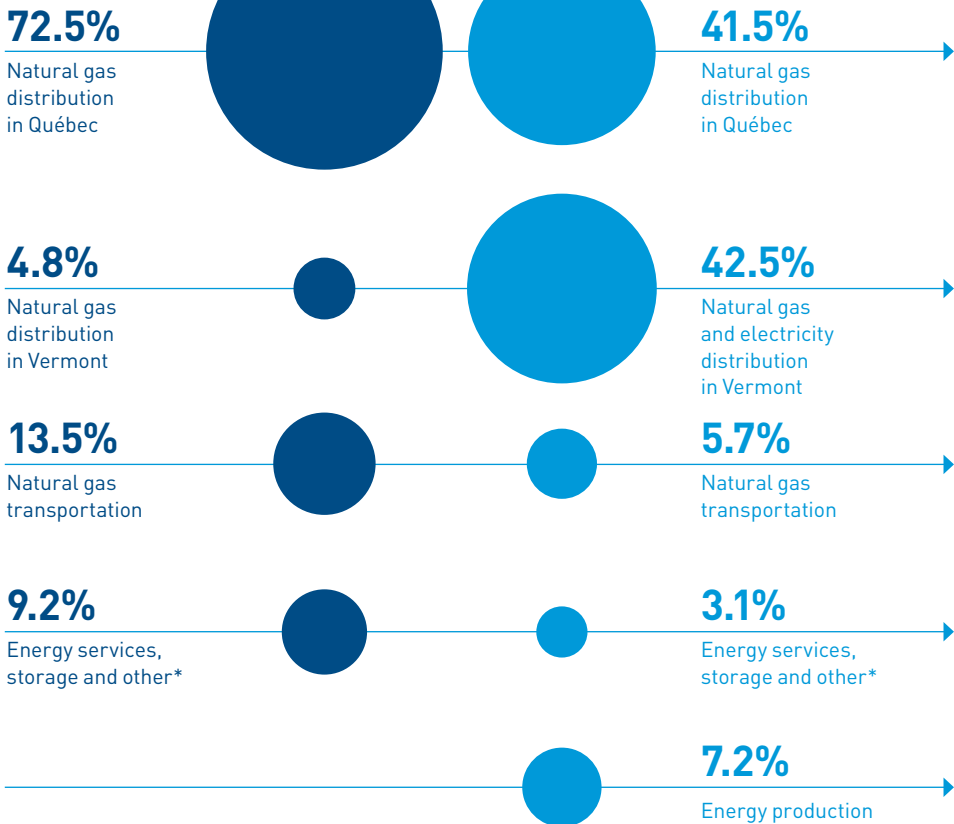
Dracut

Maine

Vermont



Breakdown of assets:



* Including Corporate affairs

**For more information or to view the complete report,
please visit: gazmetro.com/sd**

Printed in Canada

Legal deposit
Bibliothèque et Archives nationales du Québec, 2014
Library and Archives Canada, 2014

ISSN 2292-7581

ENVIRONMENTAL SAFEGUARDS

- 100% postconsumer waste
- ÉcoLogo Certified, Chlorine free and FSC®
- Made in Québec using renewable energy, biogaz



100%



FSC