

# ESG Report <sup>2023</sup>

SUSTAINABLE  
DEVELOPMENT  
GOALS





Enter a world  
of **fair winds**  
and **following seas.**



QSL

FOLLOWING SEAS





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intro



# A word from our CEO

This report marks an important milestone for QSL. Our commitment to environmental, social and governance (ESG) priorities runs deep. We have always focused on making a positive impact on the world. Now, we are proudly sharing that story through our first-ever ESG report.

In these pages, you will read about the many ways our organization is promoting sustainability, social responsibility and good corporate governance. We have included highlights primarily from 2021 and 2022 – two years of important expansion at QSL. During this time, we reached multiple major corporate milestones.

**For example, we:**

- **Acquired Empire Stevedoring Co Ltd** and became the largest port terminal operator on the St. Lawrence River
- **Expanded in Canada and the United States** at an accelerated pace
- **Implemented ISO systems** to strengthen our operations, and set our sights on obtaining ISO 14001, 9001 and 45001

We made this progress while also navigating the broad effects of the COVID-19 pandemic. Like so many of you, our people, clients and supply chain were deeply impacted by the pandemic. We persevered through this challenging time, working to maintain our customers' loyalty and trust. I am proud of how we delivered, and our ability to continue making progress on our sustainability goals at the very same time.

At QSL, we want to become a North American sustainability leader within our industry. We are taking deliberate steps to formalize that vision:

In 2022, we underwent an ESG maturity assessment to understand how existing sustainability practices were driving progress – and identify gaps where we could make improvements. Then, in 2023, we channeled that deep insight (gleaned through executive and employee workshops, interviews and surveys) into a formal ESG strategy framework.

**Through this process, we've outlined five pillars which is guiding our ESG focus and actions:**

1. **Climate change**
2. **Environment**
3. **Community engagement**
4. **Workforce reimagined**
5. **Service quality**

By cementing these pillars, and creating detailed action plans for each, we have aligned our business and sustainability strategies to deliver even better results. We also aligned Vice president responsibilities for compliance and public affairs, to provide oversight and accountability for these efforts. Importantly, we are mobilizing our people, clients, suppliers and peers across the maritime sector to collaborate with us in building a more sustainable world.

This report tells the story of an organization that has always had ESG top of mind. To be sure, we are motivated by our accomplishments to date. More than anything, though, we are optimistic about the future. Together with stakeholders like you, we can continue making lasting, positive change on this ESG journey.

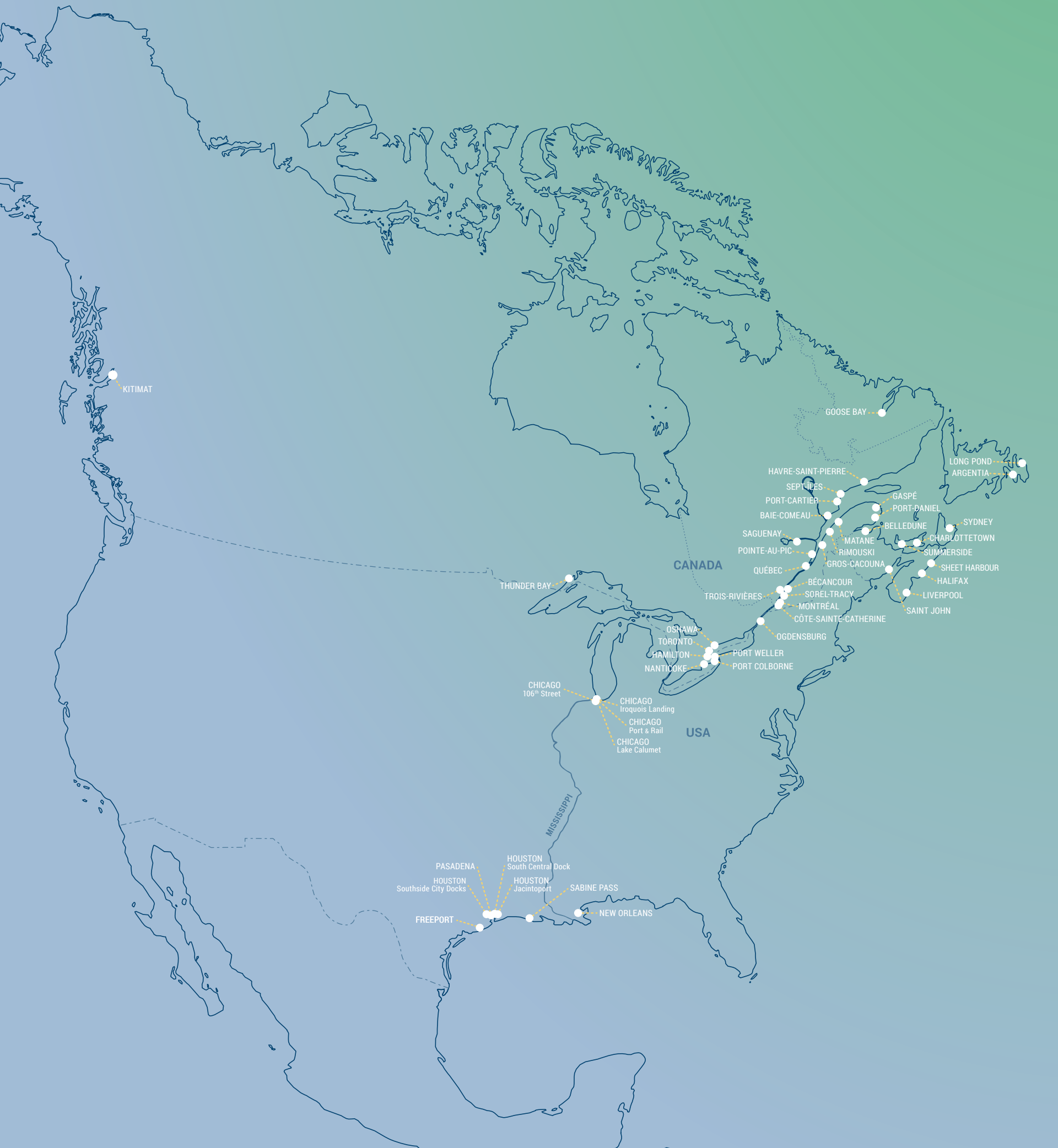
**Robert Bellisle**

President and Chief Executive Officer (CEO)





# ESG at the heart of QSL's journey



Tailor-made success isn't something we talk about at QSL. It is a way of working, thinking and operating that shapes our corporate culture, client service and impact on the world.

Since 1978, we have built our brand as a North American industry leader, specializing in the operation of port terminals, stevedoring, maritime services, logistics and transportation. **Today, we connect a network of 64 maritime terminals in Canada and the United States, empowering 2,000 team members to manage more than 26 million tonnes of cargo every single year.**

### As an organization, we strive to:

- **Go above and beyond** to create custom-built client solutions
- **Foster the passion** and determination of our people
- **Build innovative teams** of specialized engineering, management and integrated IT talent
- **Cultivate transformational methods** of helping our clients to be agile and targeted — all while treating cargo with the utmost of care

Our ESG focus has influenced each of these elements at every stage of our growth trajectory. For five decades, we have operated with a keen focus on the people who bring our organization to life, environments where we operate and communities that we serve. For us, these dynamics are central to the very definition of **Tailor-Made Success™**.

Over the last 10 years, we emboldened that thinking with an increasingly concrete internal structure more capable of supporting a purposeful ESG strategy. Centralizing operational data has helped us to better understand how our operations impact environment and society, allowing us to set our sights on improvements. Developing internal dialogue on what it means to be a responsible organization and good neighbour has helped us move beyond compliance alone to address ESG more deliberately.

We are making progress on that path. In 2019, QSL was listed among Canada's Best Managed Companies and in 2020 Canada's Most Admired Corporate Cultures. In 2021, we became the first Canadian company in our industry to adhere to the United Nations Global Compact and in 2022 participated in UN Global Compact-Accenture CEO Study on Sustainability.

"Integrating sustainability and the principles of the United Nations Global Compact, to which we are a signatory, into our business model enables us in many ways to address the challenges posed by instability. For example, institutional investors and other stakeholders are now asking for reporting across the entire value chain. This wider reporting footprint is changing how we operate and view our business. Our sustainability commitments position us well in this regard," commented President and CEO Robert Bellisle. "I am proud to have participated in this new study and to have contributed to charting a course for a more resilient and competitive future in order to achieve the United Nations' sustainable development goals."



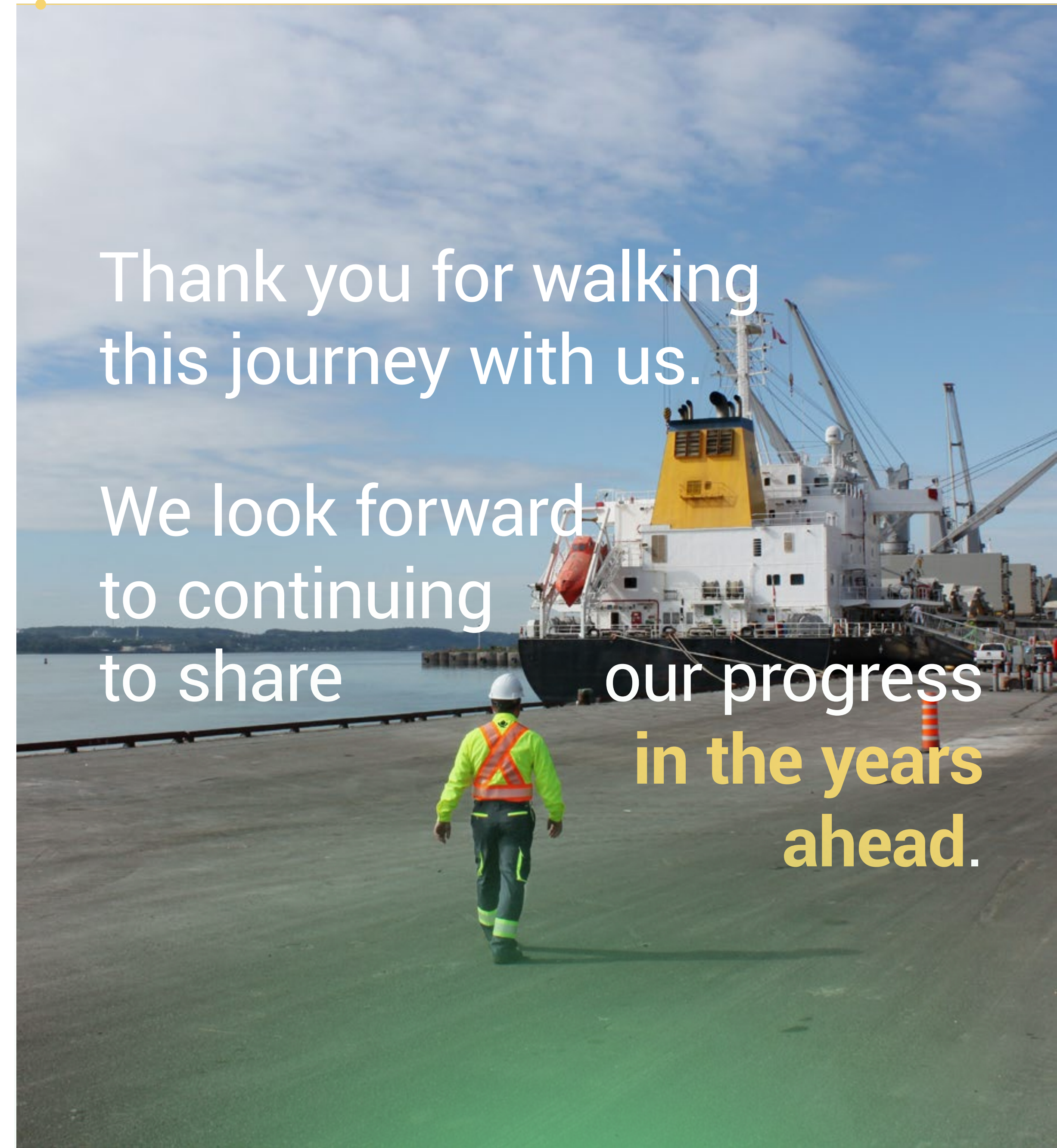


We aspire now to be a true ESG leader; one capable of evaluating, monitoring and disclosing data; setting clear and ambitious targets; and achieving an ever-more positive impact across North America.

To formalize that approach, we began by seeking to understand the current state of our ESG efforts and impacts. We engaged in a wide range of conversations, consulting with internal QSL stakeholders from across our organization as well as external stakeholders (through a client survey). A materiality assessment helped us drill down into what's being done today and what we hope to achieve from an ESG perspective as we move forward. That insight was invaluable and highlighted how far we've come on ESG. It also emphasized that we have more work to do. This intel formed the basis of our ESG ambition; one that our people, management and Board of Directors have helped shape. We're passionately dedicated to moving our ambition forward here and now.

**This report is an important mile-marker for QSL. We are sharing our collective approach and progressive results across the five key ESG pillars determined during that materiality assessment.**

The insights included in this inaugural report illustrate on how our teams are aligning operations to positive outcomes not just for the customers we serve, but the natural ecosystems in which we operate, and the broader environmental and societal context. These examples are indicative of our continued focus on bringing additional rigour to our ESG approach, through formalized strategies and structures we're developing now. Above all? This report reflects the story of an organization and a team set on making a meaningful impact on the world. Because **Tailor-Made Success™** is not solely about any one person or initiative; it means setting a bold and inspiring vision of a better future, and working together to make it so.



Thank you for walking this journey with us.

We look forward to continuing to share

our progress in the years ahead.



At QSL, we understand the **gravity** and **urgency** that climate change represents.

→ **We are committed to addressing it.**

Climate change is an existential threat already transforming our work, and our lives. For maritime and road transportation logistics organizations like ours, tackling climate change in lasting ways requires major shifts now. As an important actor in the maritime value chain, we want to make an impact and help accelerate this transformation. We aim to not only have a positive impact within our own business, but also to work with our clients, industry partners and ports to help the whole industry decarbonize and build stronger climate resiliency.



Climate



## Where do we stand today?

As an organization, we are addressing climate change overall by reducing our GHG emissions and preparing for the impacts of climate change.

What does that look like in practice?  
**Together, we are:**

→ **TRACKING** emissions and implementing actions to decarbonize

→ **IDENTIFYING** our company-specific climate risks, vulnerabilities and threats

→ **ADAPTING** operations in line with the impacts of climate change



# How are we creating momentum?

## 1. Tracking emissions and implementing actions to decarbonize

As part of our [Green Marine](#) certification, we are already producing [Scope 1](#) inventories of greenhouse gas (GHG) emissions covering port operations in Canada and the United States (US).

We are now in the process of calculating our Scope 2 emissions. This critical inventory affords us clear line of sight into the areas where we're generating the most emissions. This intel also influences our ability to effectively mitigate priority risks.

**We are currently drawing on this [Scope 1](#) and [2](#) knowledge to:**

- **Optimize operations**
- **Use equipment more efficiently**
- **Invest in technologies that empower our people** with the right tools for the right activities
- **Kick-start a high-level Scope 3 GHG emissions assessment** that will become increasingly detailed over time

### Embracing electric conveyors to fuel decarbonization

Since 2009, we have taken an integrated approach to achieve significant GHG reductions at our Beauport site. That began by replacing heavy machinery by electric conveyors. We have now established a 2-kilometre-long network of below- and above-ground conveyors. In addition, we've electrified our gantry cranes, implemented telemetry and optimized machinery and work routes.



#### Why are we doing this?

Ports play a significant role in transportation decarbonization. The land we operate on is, in most cases, managed by port authorities. This presents unique opportunities to work together in pursuit of bold climate goals. For example, by teaming collaboratively with port authorities in Beauport as they invest to develop renewable energy delivery options for wharfs, we are helping develop infrastructure and services that allow clients (e.g., shipping companies) to meet clean energy goals. We will continue seeking out opportunities to collaborate with port authorities and other stakeholders on these efforts.

#### SCOPE 1

**2021:** 9682.2 mt  
**2022:** 9998 mt



#### What have we achieved?

Deploying telemetry on all mobile equipment across our network (which enables us to closely monitor fleet machinery and turn idle engines off after a few minutes) has reduced GHG emissions by 10% across our overall network. In Quebec City, we achieved a 35% reduction between 2020 and 2021 by investing in machinery improvements (including vehicle telemetry and operations optimization). Combining telemetry with an integrated resource planning system helps us prepare the next transition towards artificial intelligence which will not only help us further optimize our operations and foster a safer work environment, but also ensure business continuity despite labor shortage.



#### What is our next goal?

Building on the expertise developed in Beauport, we will continue implementing electric conveyors throughout our network to reduce GHG emissions at other sites. Up to now, we have acquired and installed over 100 conveyors. We will also enter into Quebec-based artificial intelligence (AI) pilot projects in the upcoming year. Finally, we are communicating continuously with suppliers and universities to identify, experiment with and test innovative technologies, and integrate these capabilities into our activities.



## 2. Identifying our company-specific climate risks, vulnerabilities and threats

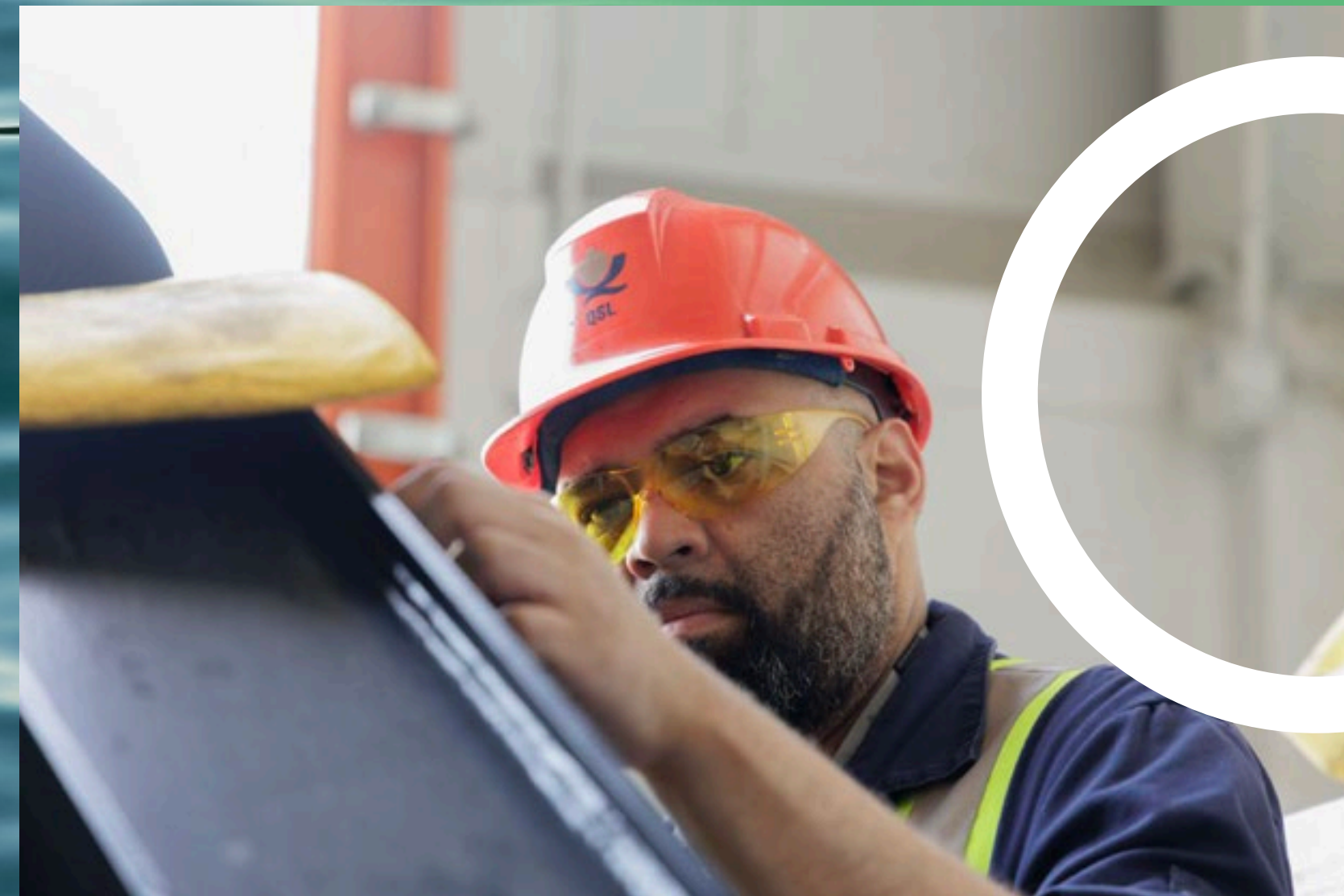
By its very nature, our business is vulnerable to the impacts of climate change.

Operations span geographies and ecosystems. Teams wrestle with the elements, working along North American waterways. This is a daily reality for our 2,000+ employees, collaborating at 64 port terminals in Canada and the US. Climate change affects the way we work – and the employees who carry out that work – every single day.

**To understand what that means, we are in the process of establishing an action plan to:**

- **Assess our exposure to physical risks at every port where our teams operate.** For example, resilience to heatwaves and extreme cold, as well as other physical adaptation needs; air quality; water withdrawal consumption and availability; floods; windstorms; as well as potential spills and pollutant leaks.
- **Identify transitional risks related to climate change.** For example, energy sourcing. As industries aim to decarbonize their supply-chains, terminal operators face new and changing demands in terms of availability of dockside energy sources and equipment required to meet climate change objectives. We are also considering additional transitional risks like regulatory changes; material sourcing; the local procurement of materials; energy consumption and intensity; as well as changes in the kinds of materials we're asked to manipulate.

Climate change affects the way we work **every single day.**





### 3. Adapting operations in line with the impacts of climate change

We are taking a **region-specific approach** to adapt operations in direct alignment with the local and geographic impacts that climate change entails at every port across our network.

#### Developing floating wharfs to generate resilience to physical climate risks

In Sorel-Tracy, we are taking innovative action on climate change by designing a new port terminal using a floating wharf that is currently undergoing federal and provincial authorization.

#### Why are we doing this?

Rising water levels pose an evolving risk to biodiversity and fish habitats in the areas where we operate. Driven by climate change, rising water levels also threaten our operations and the safety and security of our teams on the ground. Our in-house-designed floating wharfs address this issue by moving with the water, as opposed to holding steady (as is the case with traditional wharfs). Over time, this new structure will continue to adapt to climate-related risks, decreasing the threat of flooding, waterway destruction or operational shutdowns.

#### What have we achieved?

In Sorel-Tracy, our innovative design will minimize the footprint in the bed of the river, eliminating the need for dredging. Inspired by techniques successfully used in the Great North and along the Mississippi River, this technology could prove to be a sustainable approach for new ports infrastructure in our climate. We already foresee ways that this innovative new wharf helps us combat rising water levels to support continuity of operations. Better infrastructure resilience allows us to keep teams, machinery and shipments moving safely even as this climate-related risk continues to reshape the landscape at this port.

#### What is our next goal?

By focusing on location-specific risks going forward, we will be able to identify additional port terminals where this innovative floating wharf technology can be implemented to help keep operations running smoothly and safely.



# Where do we go from here?

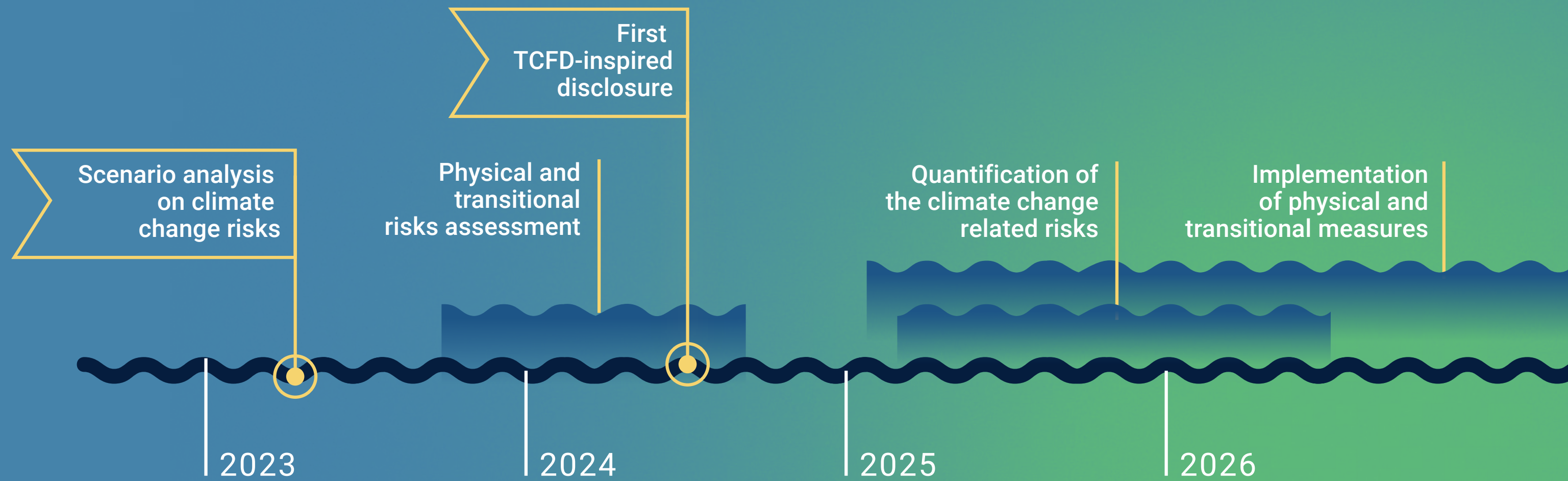
Our teams are **inspired**.

Together, we are developing lasting solutions to the climate change risks we face not just as an organization, but as a society.

Our people are developing that vision by :

- Reviewing the types of mobile and stationary equipment used across our operations to spot new ways of cutting down Scope 1 GHG emissions.
- Optimizing the right equipment for the right purpose.
- Creating new directives around practices like 'idling' equipment.

At QSL, we work for sustainable solutions and act for a better environment. We are in the process of developing concrete climate actions to put in place over the next four years. We will start by developing climate scenario analyses to better understand the risks and opportunities created by climate change. In 2024, we aim to publish our first report inspired by the recommendations of the Taskforce on Climate and Financial Disclosures (TCFD) to capture and communicate our progress. These ideas have come from our team. We will continue to harness their potential, and layer these concrete actions into our targets and strategic adaptation plans in the years ahead.





## Minimizing our environmental footprint is a top priority.

- **We approach processes and programs with an eye to improving our operations while also supporting the environment and surrounding ecosystems.**

At QSL, we're very conscious of the world around us. We move a wide range of cargo in ways that have the potential to impact the fauna, flora, air, soil and waterways that criss-cross North America. This is a responsibility we take seriously and govern through critical management systems and strategies meant to minimize our impact, mitigate risk and handle potential incidents effectively.



# Environment



## Where do we stand today?

From coast to coast to coast:  
we are proactively managing  
our environmental footprint  
and learning by doing.

What does that look like in practice?  
**Together, we are:**

→ **IMPROVING** processes, systems and  
tools to preserve natural resources

→ **IMPLEMENTING** control measures  
to minimize environmental incidents

→ **TRACKING** our progress to inform  
our next steps



# How are we creating momentum?

## 1. Improving processes, systems and tools to preserve natural resources

Protecting the land is an important part of our mission.

Operating well, and being a responsible steward, means being thoughtful about the land itself. These priorities are interconnected. They are one and the same.

### At QSL, we are acting on that promise by:

→ **Focusing on water discharge.** At our Quebec City terminal, we use custom-designed water cannons to prevent fugitive emissions from certain types of bulk cargo. All water from these cannons (as well as rain) is recuperated and treated by our on-site water treatment systems, ensuring they surpass environmental standards before being reintroduced into waterways. We are very proud to be the only facility along the St. Lawrence system to have invested in this high-performing infrastructure.

→ **Purposefully reducing waste.** In 2019, our employees launched a proactive initiative to ban plastic water bottles across our North American operations. Together by 2022, we had achieved a 95% reduction in plastic water bottle use at our terminals (compared to the 2019 baseline).

Essentially, we prevented 500,000 plastic water bottles from entering the waste cycle annually. We estimate that these efforts will eliminate 5 million plastic bottles over the next decade. This sustainable practice reduces the amount of plastic manufactured, decreases the mass of goods transported, reduces plastic waste, introduces best practices to our employees and offers our people better quality drinking water.

We are committed to making additional progress on these fronts. In terms of waste recycling, we support material sorting across our operations, to increase the percentage of materials that are ultimately recycled.

Especially because we work in direct contact with our natural surroundings, it is paramount for us to continue prioritizing our impact on the environment. At QSL, we are committed to reducing our impact on the environment and the surrounding ecosystems. We seek to continuously improve across these priorities, in pursuit of **Green Marine Level 5 best-in-class status**. We intend to continue implementing new practices to reduce our impact, and avoid negative outcomes, whenever and however we can.





## 2. Implementing control measures to minimize environmental incidents

The greatest risk is the one you do not see coming.

This is why we have taken a proactive approach to managing environmental incidents, with the goal of preventing them all together.

**Across our operations, our Imperium initiative specifically focuses on:**

→ **Reducing the number of environmental spills.** Since 2018, our QSL sustainable development policy has included specific commitments in this area. With the implementation of Imperium (including an ISO 14001-compliant environmental management system in 2022), we are increasing the level of control of all aspects of our operations to prevent spills and other environmental damage. The management system brings additional rigor to our processes.

Working closely with the terminal management staff, we have deployed tools for communication, control and monitoring of our practices supported by a digital application. **For example, these include:**

- **Toolbox meetings** to remind people of the possible impacts of our operations and the associated control measures
  - **Operational, equipment and process inspections**
  - **Declarations of actual or potential incidents.**
- **Working to minimize environmental incidents.** QSL has set up an environmental emergency management process and the necessary material resources to intervene as quickly and effectively as possible in the event of an environmental incident. **We have integrated this focus into our operational processes, in the same way that we prioritize health and safety through weekly exchange meetings with all sites.** Beyond that, QSL Maintenance has developed preventative maintenance programs that track the status of all equipment within our network using a unified approach. This allows us to take ownership of environmental priorities and to promote accountability in this regard.



→ **Reducing the number of environmental spills.**

→ **Working to minimize environmental incidents.**



**What is our next goal?**

We are working towards a target of sanctionable environmental incidents by 2023.



### 3. Tracking our progress to inform our next steps

We are always looking forward to understanding where the next environmental risk lies and address it.

That means maintaining and improving existing processes and measures to mitigate our environmental footprint. It also entails thinking beyond legal compliance alone and aiming to be genuine stewards for the environment itself.

**To amplify our positive impact, we are:**

→ **Measuring our impact on surrounding ecosystems.** At QSL, we've been part of the [Green Marine certification](#) for eight years. We aim to improve our level of requirement every year. We act proactively, identifying advanced processes and mitigation actions that allow us to reduce our impact on (and when possible, positively influence) the land and marine ecosystems where we operate. The [Green Marine Certification Program](#) has helped us track our progress. This certification is a North American standard in terms of maritime environmental practices, focused on best maritime practices and technologies that allow industry players to improve their operational footprint on the environment. Administered by dedicated environmental coordinators in collaboration with terminal directors, our efforts now include all terminals where we have a continuous presence, generating two distinct scores (one for Canada and one for the United States). We have set a company-wide goal of achieving an overall score<sup>1</sup> of 4+ by 2025. While performance indicators exist for ship owners, ports, seaways, terminals and shipyards, at QSL we are focused on seven key indicators:

1. **Community impacts**
2. **Community relations**
3. **Dry bulk handling and storage**
4. **Environmental leadership**
5. **Green house gas emissions**
6. **Spill prevention and stormwater management**
7. **Waste management**

→ **Assessing our environmental impact.** At QSL our activities are closely linked to natural and protected areas. We see this as a responsibility to serve as stewards for the environment around us and seek to lead our industry in this commitment. As such, we approach projects by first considering all natural elements (i.e., fauna and flora) that may be impacted by our projects and operations in order to minimize those effects. This approach is guiding the conception of a future floating wharf at the Sorel-Tracy Industrial Port Area. Here, we have taken a purpose-built approach to meeting our operational needs in a way that mitigates environmental impacts and creates a more positive outcomes for our surrounding ecosystem. The floating wharf to be built, (following the obtention of all required permits and authorizations) is more resilient to climate-related physical risks (such as flooding).

Prior to construction, we are undertaking an extensive environmental impact assessment, qualifying and quantifying the impact of the project on the surrounding natural environment and producing a baseline inventory of the fauna and flora. In addition to helping us design and construct this infrastructure in a way that minimizes ecosystem destruction, **we will apply the learnings from these assessments to the whole of our operations, allowing us to better understand the impact of our activities and proactively minimize it.**

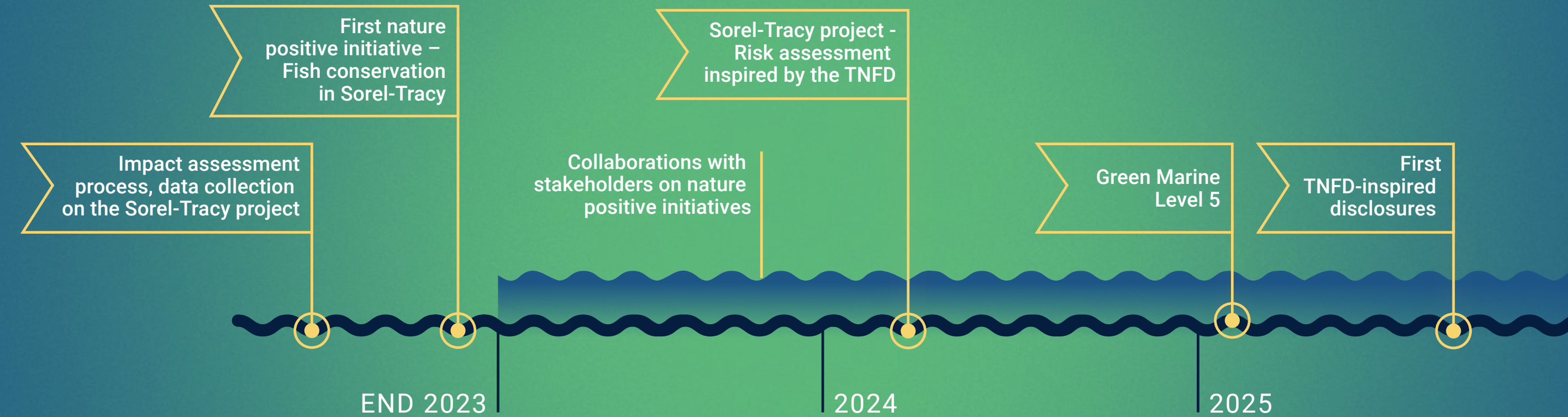




# Where do we go from here?

The best practices we use to manage our environmental footprint today must continue to evolve. That's why our three-year action plan pushes us to go even further.

We will begin by deepening the assessment and understanding of our impact on nature, as well as our nature-related risks and opportunities, inspired by the work of the Taskforce on Nature-related Financial Disclosure (TNFD). Through these actions, we aspire to become a best-in-class example within our sector when it comes to protecting nature and biodiversity. The challenges we face on the environmental front are always shifting. At QSL, we are following those changes closely, and looking inward to consider how we can amplify our positive impact in light of the evolving challenges the world faces. We may not have all the answers. But we do have a wealth of talented and passionate people aligned to this important priority. **We will continue innovating our solutions to ensure we're operating in ways that support the environment around us.**



<sup>1</sup> From [Green Marine](#) website: "Through its 15 performance indicators, the comprehensive program addresses prioritized environmental issues related to air, water and soil quality, as well as community relations. To obtain their certification, [Green Marine](#) participants must demonstrate continual and measurable improvement, year after year, and respect all elements of the certification process, i.e., the annual self-evaluation, external verification, and publication of results."



We want to **create a better quality of life** for our people, but also the customers we serve, and the communities we operate in.

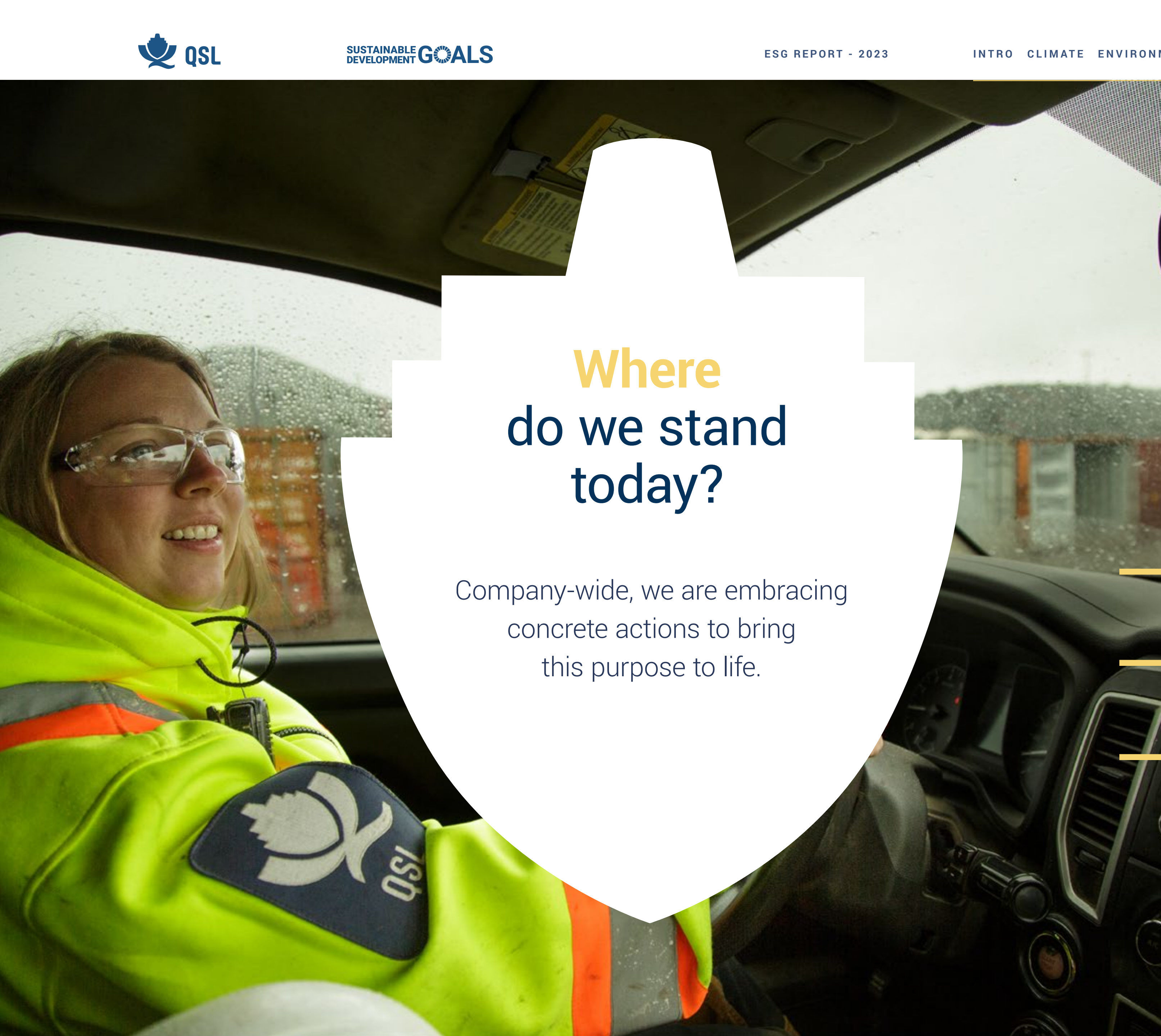
→ **That principle is our guiding force, shaping the way we engage with stakeholders across North America.**

At QSL, we want to leave the world better than we found it. That means creating lasting, long-term value and a positive social impact beyond financial results. Our employees are central to that mission. Together, we are developing tangible strategies and action plans to make a difference. We are seeking to strengthen relationships with surrounding communities, support the natural environment and improve quality of life for the people we interact with. As QSL grows and evolves, we remain steadfastly committed to making a positive economic impact in the regions we serve.



Community  
engagement





## Where do we stand today?

Company-wide, we are embracing concrete actions to bring this purpose to life.

Together, we are:

→ **COLLABORATING** with local and Indigenous communities

→ **ALIGNING** with likeminded industry organizations and associations

→ **CONTRIBUTING** through fundraising, sponsorships, and volunteerism



# How are we creating momentum?

## 1. Collaborating with local communities and Indigenous communities

We employ thousands of people, work with dozens of suppliers and subcontractors, and foster numerous mutually beneficial partnerships.

But our commitment to neighbouring communities, including Indigenous communities, is the connective thread that links each of these relationships. In all that we do through our teams, suppliers, subcontractors and partnerships, we seek to put these communities first. **We work together to bridge potential gaps and build meaningful solutions.** This is how we seek to operate as a force for social and economic good across the continent.

### Specifically, we:

- **Build, maintain and invest in relationships with Indigenous communities.** By aligning around business, economic, social and environmental priorities, we can develop dialogue and uncover synergies with Indigenous communities in Canada and the United States. This includes hiring workers from Indigenous communities (via mandates with hiring agencies), prioritizing the preservation of archaeologically significant lands and joining forces with the Nunatsiavut community through a joint venture: the Integrated Nunatsiavut Logistics in the Voisey's Bay region. We will continue to invest in these relationships and explore the opportunities for further collaboration alongside these communities to make progress together.
- **Put local needs at the heart of our operations.** We consider the ways our day-to-day operations may impact local and Indigenous communities. Our wood pellet operations at Anse-au-Foulon, Quebec is a prime example. Traditionally, this process of trucking the wood pellets from silos took place on weekends. External contractors were tasked with moving the wood pellets, which we learned (through consultation) was causing local noise pollution. We took action, having all 60 trucks involved in this process equipped with white noise alarms before the weekly operation took place. We are always on the look-out for additional ways to improve our impact on the communities in which we operate.





## 2. Aligning with likeminded industry organizations and associations

We can achieve more together than apart.

That philosophy shapes the way employees across our organization collaborate with neighbouring communities. It also defines the brand QSL has built in the broader industry. Year over year, we participate in community and sector initiatives, working with external stakeholders in pursuit of a better, stronger future. We seek to be an active proponent for positive change in the industry, and in the world.

To do that, we actively participate in cross-industry initiatives, such as:

### Internationally and nationally:

- Shipping Federation of Canada
- National Maritime Group
- Green Marine Board of Directors
- General Stevedoring Council
- Canadian Chamber of Commerce

### Regionally:

- St. Lawrence Economic Development Council
- Ontario Marine Council
- Green Marine St. Lawrence Advisory Committee (St. Lawrence and Saguenay regions),
- Federation des chambres de commerce du Quebec

### Locally:

- The Regional Round Table for the Integrated Management of the St. Lawrence River (Québec City, Québec)
- The Inter-sectoral Committee on Environmental Contamination and Air Quality (La Cité-Limoilou, Québec)
- Cargo M
- The Sorel-Tracy Chamber of Commerce (Sorel-Tracy, Quebec)
- Chairs of the Port Users Committee in Quebec

Armed with the knowledge gained from these experiences, we are exploring opportunities for similar collaborations in other regions where we operate.

We actively participate in cross-industry initiatives.



### 3. Contributing through fundraising, sponsorships, and volunteerism

Giving back is part of our organizational culture.

We create and pursue opportunities for the business and our people to contribute both funding and time to a number of different causes. **In 2022, QSL contributed over \$500,000 in donations and sponsorships.** We are proud of the ways our teams have historically amplified community engagement impacts through these avenues, and happy to support the causes that are important to our employees.



#### Coming together to support United Way

QSL has been a long-time supporter of the United Way.

#### Why are we doing this?

The United Way is focused on improving lives locally through three key pillars: moving people from poverty to possibility; helping kids be all they can be; building strong and healthy communities. By aligning our fundraising and volunteering efforts through United Way, we can make an outsized impact that supports lasting change.

#### What have we achieved?

In 2021 and 2022, QSL was awarded the United Way Distinction award in the region of Quebec and Chaudière-Appalaches for achieving the highest corporate fundraising campaign participation rate, combined with the highest average donation. In 2022, QSL was also awarded the Mobilising Partner Award, for donations between \$100K and \$500K More specifically, since 2018, QSL and our employees have donated a total of \$472,000 CAD to the United Way.

#### What is our next goal?

Once again in 2023, we will communicate internally and rally our people to support our United Way corporate fundraising campaign. We will also build on this success to support additional, employee-driven local initiatives aligned with our corporate values.





### Creating QSL channels for additional engagement

To build internal momentum around community engagement, **we launched our own annual QSL Secures Support philanthropic event in 2019.**

This unique undertaking supports causes or organizations in the communities where we operate.



### Why are we doing this?

Rallying our people in support of cultural, sports, health or youth-focused undertakings in our local regions is a wonderful way to spark positive change.

### What have we achieved?

In 2020, together with Maritime business partners, QSL founded the Maritime Cup, a charitable hockey tournament. Funds raised are divided according to the results of the tournament, with the champion team having the privilege of donating the largest amount to the cause of its choice. In 2021, QSL contributed \$50,000 to the University of Toronto (one of Canada's top medical schools and research hubs) to support its creation of The Veteran Mental Health Network. In 2022, we supported *Mosaïcultures Québec* by sponsoring a major piece of artwork, titled 'Le Fleuve aux Grandes Eaux.' This builds on previous years' momentum, in which QSL donated to causes such as ÉcoMaris, to which we contributed \$50,000. That donation helped fund a sailing training vessel that provides young people facing various difficulties with an extraordinary experience on the St. Lawrence River.

### What is our next goal?

We are looking forward to raising funds via a charity effort named QSL – Octogone to support military families from our Canadian Forces as they navigate demanding times.





# Where do we go from here?

As communities grow, new needs for fundraising, volunteerism and support emerge. At QSL, we believe it's incumbent upon us to continually assess the needs across the diverse communities we serve and operate in, and adapt our community engagement approach to best support critical priorities.

We listen and aim to be ever more present in our communities, **deepening our relationships with neighbours and allowing them to get to know us**. Doing so supports the broader positive social impact we are determined to make. Part of our community engagement program deploys and multiplies interactions between QSL's employees and the people from our communities. This will allow all members of our team to build stronger relationships and give back to the community around them.



2023 +



Our people have diverse needs and expectations. They are looking for a work environment where they feel **respected, valued and engaged.**

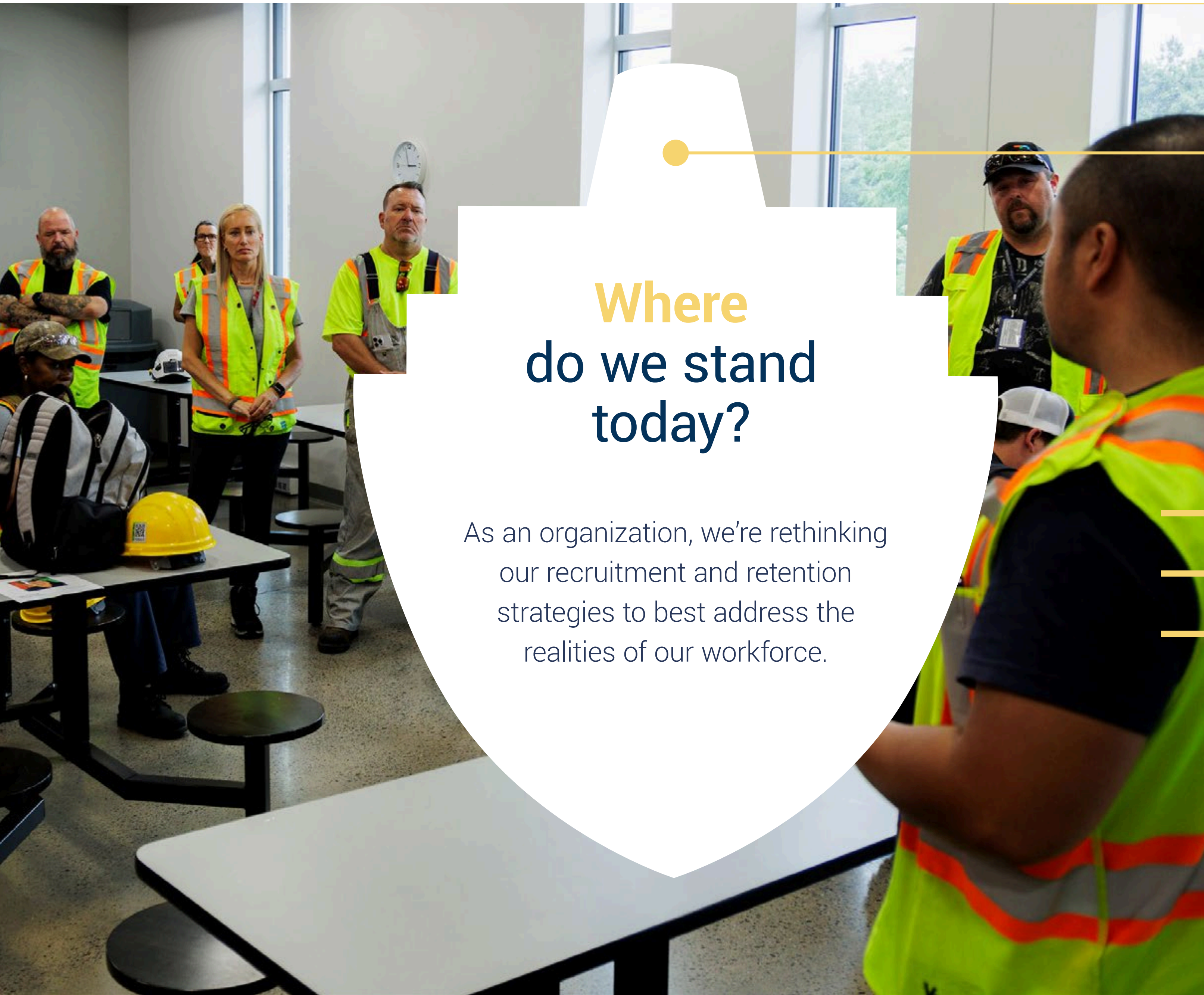
→ **We are reimagining our workforce with these considerations in mind to create a culture where everyone can thrive.**

Our workforce is absolutely critical to our organizational success. Even so, labour shortages are having a concrete impact on our industry. Turnover rates are on the rise across Canada, and the United States. We have not been immune to these effects, with staffing challenges creating a strain on existing teams across QSL. We are realistic about what that means for our daily operations. At the same time, we fundamentally believe that the most powerful lever we have to attract, recruit and retain talent is our culture. We continue investing to create opportunities for our people to develop and learn while also making ours a safe work environment. We put our people at the heart of our strategy and programs to ensure that everyone feels they belong and can pursue viable paths to growth. We nurture two-way dialogue and continuous collaboration within our teams, and across every level of the organization, to prioritize our people and improve our working environment. This is how we are striving to lead as an industry employer of choice.



Workforce  
reimagined





## Where do we stand today?

As an organization, we're rethinking our recruitment and retention strategies to best address the realities of our workforce.

What does that look like in practice?  
**Together, we are:**

- **STAYING** laser focused on employee safety
- **CULTIVATING** a culture of recognition
- **IMPROVING** the employee experience for all



# How are we creating momentum?

## 1. Staying laser focused on employee safety

The health and safety of our employees has been paramount at QSL in the last 10 years.

The physical nature of the work our teams carry out requires us to maintain a rigorous focus on these areas. We take this extremely seriously, and report methodically on our outcomes and progress.

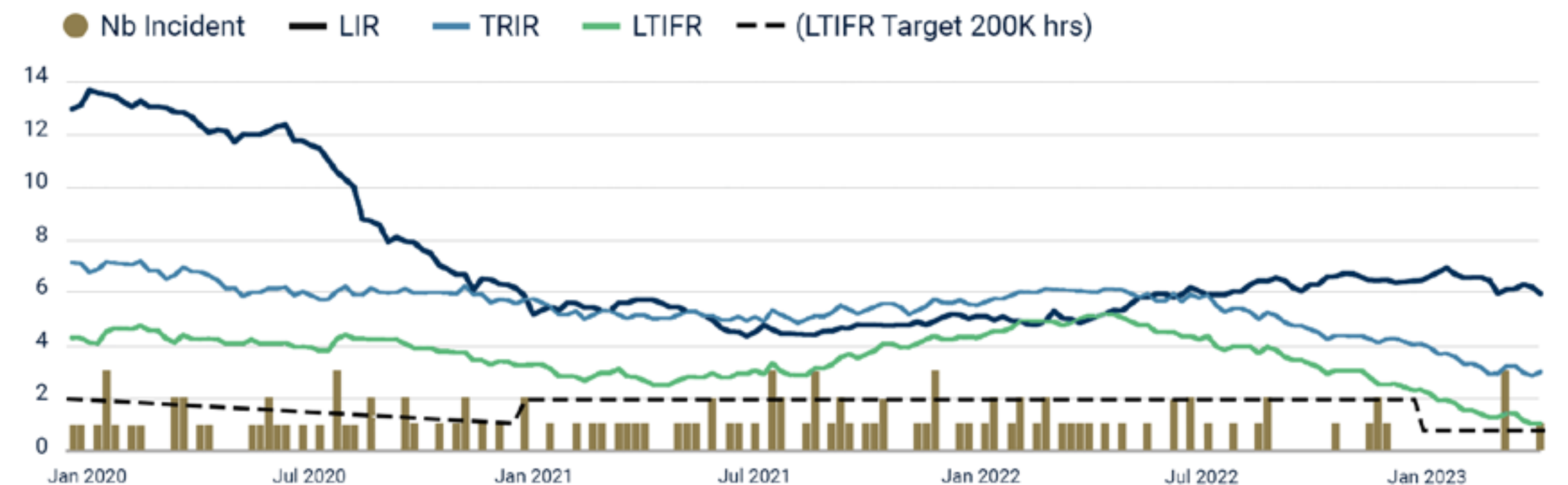
### In keeping with industry and government guidelines, we maintain strict safety policies and programs.

We are required to track safety issues or accidents that arise, investigate them, identify the proper corrective actions to implement and share lessons learned across the organization. We improve our workplace procedures, accordingly, aided by the implementation of a real-time reporting platform implemented in 2018 and the ongoing implementation of ISO 45001.

As such, in 2022, we reported the following Health and Safety results since 2019, covering the number of incidents, Light Injury Rate (LIR), Total Recordable Incident Rate (TRIR), Lost Time Injury Frequency Rate (LTIFR).



**LIR, TRIR & LTIFR since 2019-12-29**







### Fostering exceptional governance around health and safety issues

Health and safety are more than government-mandated training and reporting requirements. They are key to our corporate philosophy. **Our people drive our success, and we prioritize their health, safety, wellbeing, and experience.** That includes nurturing transparent ongoing dialogue across the organization around these important matters.

To best safeguard the health and safety of our employees, we have implemented a holistic program to manage, control and continuously improve our approach on a continuous basis. We reinforce this with dedicated conversations and presentations during Health and Safety Month to reinforce the fact that taking care of, and protecting, the people who help make QSL an industry leader is our utmost priority. These special activities include internal communications campaigns, live events, insight into training and resources and awareness building around our standardized operating procedures, Return on Experience (REX) value proposition, Intellex and more.



### Why are we doing this?

Weekly safety review calls between terminal directors and upper management offer critical opportunities to discuss any health and safety challenges as they arise. This informs our ability to track progress, and spot opportunities for improvements not just at key times of the year, but every single week. Through this process, we are accelerating our ability to ensure our work environment is as safe as possible at all times.

### What have we achieved?

These channels have led to fruitful dialogue that empowers us to continuously improve health and safety at QSL. For example, based on an identified need to simplify accident declaration processes, we implemented a QR-code-based reporting system in 2020, and developed and deployed the internal 'near miss disclosure campaign' accordingly. Should a near-accident arise, an employee scans the QR code to instantly access a form that can be anonymously completed, registered and sent to management in just five minutes. This program helped us reduce lost-time injury frequency rates by 39% from 2020 to 2021. The campaign itself was [celebrated by the Quebec Chamber of Commerce with a prestigious Les Mercuriades award](#) in 2022.

### What is our next goal?

Strengthening safety through the implementation of the ISO 45001 Occupational Health and Safety standard. With successful implementation recently completed in Beauport, Foulon, Sorel and Head Quarters, we are now rolling it out in our American operations, Grande-Anse, Bécancour and Watson Transport groups. We intend to expand these implementations at remaining terminals and subcontractors next year. This standard represents an essential step in our continued ability to offer our teams an industry-leading and safe workplace.



## 2. Cultivating a culture of recognition

The work that our teams do is demanding.

This is true of the physical nature of our activities, and the time it takes to carry out our work.

**Importantly, this dynamic can complicate our ability to retain our people and operate seamlessly in today's market, where human capital continues to be in high demand.** What we can do, though, is bolster retention by continuing to invest in the award-winning culture that sets QSL apart.

**To amplify that culture and remain an employer of choice, we are working to:**

- **Extend our focus on total rewards.** Our people are passionate about stevedoring. They thrive in the fast-paced, outdoor port environments where we operate. We see that daily among the scores of employees who have been a part of our business for decades. By extending our rewards to best align with our employees' values, we are seeking to retain this talent and bring new team members into the fold.
- **Celebrate our people.** At QSL, we are always expanding our ways of recognizing accomplishments, as well as progressive improvements, within our teams. By celebrating wins both big and small, we are amplifying our culture and encouraging retention.







## Launching new employee recognition opportunities

Our QSL Founder and current Chairman of the Board, Denis Dupuis, says it best:

We are successful today because of the passion and determination of our people. From our headquarters and offices to the docks of our port facilities (and beyond, to road and rail), we all express our dedication to QSL through our hard work and irreproachable client service. Our thousands of employees, subsidiaries and partners all work at connecting the dots, and bringing cargo seamlessly to its destination.

### Our people represent our progress and drive our success.

In turn, we focus on recognizing our people. We launched the Prix Denis Dupuis in 2020 to celebrate and reward employees who have distinguished themselves and helped shape our culture through excellent work, and the daily embodiment of our values.

### Why are we doing this?

In a culture of belonging, people feel seen, recognized and heard. This is precisely what the Denis Dupuis Prize aims to do. This premise has always shaped our culture, which was celebrated by Waterston when QSL was named among *Canada's Most Admired Corporate Cultures* in 2020. That said, culture is not static and we must always work to make it better.

### What have we achieved?

Since launching the program, we have celebrated 10 individuals, each deeply committed to delivering for our clients and living our values. We celebrated three employees in 2022. Our employee recognition program has also created a purposeful engagement opportunity at a broader level. Nominees are put forward by their peers; finalists are decided by an in-house jury formed by every member of the senior management; winners are chosen by Mr. Dupuis himself. This extends the impact of the award, enabling anyone within the organization with the chance to learn more about what exceptional client service and QSL values stand for. It also provides our people an additional channel through which they can express their views and serve as brand ambassadors by highlighting their colleagues' hard work.

### What is our next goal?

Our 2023 edition of *Le Prix Denis-Dupuis* opens up for nominations this fall. We are constantly looking for additional avenues to celebrate and acknowledge our people going forward. For example, we recently launched a weekly newsletter called *Propulsion*, dedicated to highlight our employees' professional and personal achievements. *Propulsion* motivates, inspires and connects our employees.





### 3. Improving the employee experience for all

A better equipped workforce is a more engaged workforce.

At QSL, we seek to understand our employees' experiences, and channel that insight into improvements. We are always looking for ways to align a richer employee experience with the changing needs of our workforce. This priority is central to our organizational DNA.

**To propel employee experiences to new heights, we are focused on:**

- **Strengthening learning and development.** Our people are keen to develop their skillsets and capabilities. We are rethinking our approach to learning and development to provide training pathways for each category of employee. These pathways are clearly aligned to specific job requirements, and also offer clarity into performance indicators and talent management. This helps our people set learning and development goals that can fuel their performance and growth within the organization.
- **Prioritizing holistic wellness.** We want our people to thrive professionally and personally. We offer a holistic Employee Assistance Program, offering a wide range of benefits and access to support services. This ensures our people can access the physical and mental health support they need, when they need it, to live well at work and beyond.

→ **Encouraging open dialogue.** Inclusive cultures provide clear channels for two-way dialogue. At QSL, we communicate transparently, and create accessible ways for our people to do the same. We have implemented clear top-down and bottom-up channels through which people can make suggestions, voice concerns and share ideas. Our people engage accordingly. From recreational soccer leagues to company barbecues to the Défi Kayak Desgagnés: we offer a host of employee engagement activities and company initiatives as a direct result of the feedback our people provide. This includes clear channels for open, two-way dialogue. For example, our president@QSL.com email enables anyone to reach out directly to senior leadership with questions, ideas or concerns. We have also implemented leadership-led presentations during which all employees are encouraged to ask questions in real time.

This year, we want to give our people even more opportunity to provide feedback and help us develop the QSL of the future. We launched a People Survey to help us better understand what we are doing well and what our teams would like to see more of. The short questionnaire covers topics such as culture, work-life balance and professional development. Results will help us focus our energies and develop more targeted programs throughout the coming year.

**Establishing QSL University**

We're always looking for new ways to help our people access training to learn and grow. That's why we launched in 2021, QSL University.



**Why are we doing this?**

This company-wide training program ensures employees have concrete opportunities to develop their skills. The program brings together external leadership and development training modules including the General Stevedoring Council Management Courses, broader partnerships with schools and universities, opportunities for internships and international recruitment.

**What have we achieved?**

In the first half of 2022, our Longshoremen completed 1,081 hours of training and development (adding to the 1,318 hours completed in 2021), and our superintendents and supervisors logged an impressive 2,948 hours (up from 1,239 hours in 2021).

**What is our next goal?**

We are developing action plans now, with a focus on additional learning programs to be deployed in future.





## Emphasizing mental wellness

Good health is not just physical. That is why we are redoubling our mental wellness focus **to ensure our people have ample ways to prioritize their own mental health.** We are also systematically dismantling barriers to eliminate stigma, and encourage open, honest conversations around mental wellness within our teams and beyond.

### Why are we doing this?

Tone from the top is important. We want our people to know we go beyond talking about mental wellness to actually help them navigate this aspect of their own health. We also want them to feel comfortable being themselves at work and discussing mental health among colleagues. By launching our all-hands monthly mental health email communication, we are taking a step toward supporting the issue. Each issue includes information on key mental wellness topics, resources our employees can access to seek mental health support and special spotlights on the issues that affect our teams.

### What have we achieved?

We are using our improved People survey to dig deeper into this important issue. We want to use this platform to give our employees the opportunity to tell us how they are feeling and what we can do to further support them.

### What is our next goal?

We will take action on what we have learned from the survey's results. We will also continue seeking input from our employees to identify additional areas where we can support mental wellness at work and beyond.

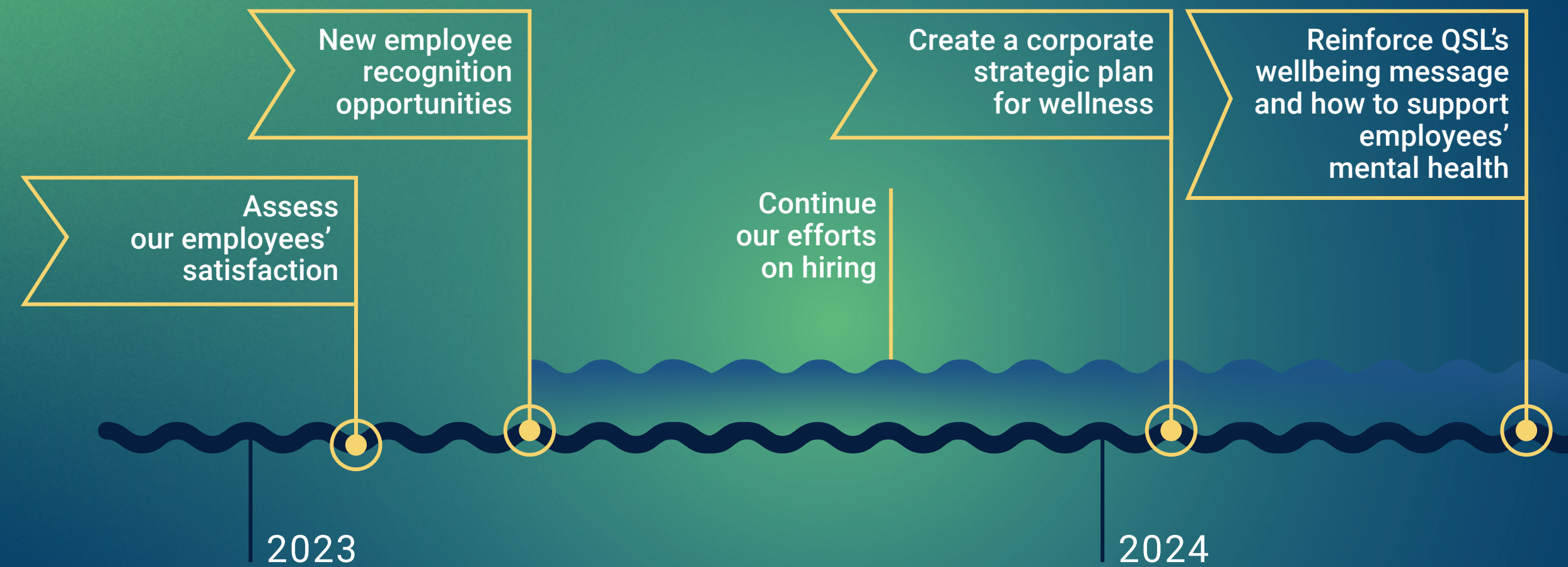




# Where do we go from here?

Like employees across industries, our QSL workforce is evolving. Our people face new challenges, are keen to pursue purposeful opportunities and expect to see their values reflected in the programs and policies that define our organization.

**Throughout our history, we have always been a company that believes in the power of culture.** We will continue engaging with and listening to our employees to ensure our culture evolves right along with their needs, priorities and expectations over time. In that sense, our action plan starts with our employee questionnaire (which is directly linked to our ESG strategy), and our goal of building an inclusive, positive workplace for all. Year over year, we are developing additional recognition opportunities and wellness plans to meet our people's needs. This is how we can reimagine the workforce, deploying a powerful culture as a competitive advantage that sets our organization apart in the eyes of current and future employees.





**Tailor-Made Success™** defines our approach to client service.

→ **We work seamlessly with clients to deliver targeted outcomes and align around ESG priorities that affect us all.**

For more than 45 years, QSL has committed itself to **Tailor-Made Success™**: We treat cargo with care, listen closely to our clients' needs and commit to exceeding their expectations. We are problem-solvers and solution-builders. Through everything we do, we lead as innovators who connect in-house engineering and marketing teams, management systems and IT to offer distinctive service that gets our clients – and their cargo – wherever they need to go.



Service  
Quality



## Where do we stand today?

Our client relationships are trusted partnerships. We rally together, adapting to evolving market and supply chain realities to create long-term value.

How does that come to life from day to day?  
**Working with our clients, we are:**

→ **LEVERAGING** best-in-class technology to improve outcomes

→ **COLLABORATING** to overcome client challenges

→ **TEAMING** up to advance shared sustainability goals



# How are we creating momentum?

## 1. Leveraging best-in-class technology to improve outcomes

Our clients face complex realities. From weather to geopolitics to economics: any number of factors can influence their ability to deliver cargo efficiently.

In many ways, their journey is our journey. We are deeply invested in continuously **improving our own operations and capabilities to deliver the best for our customers**, so they can come through for customers of their own.

### Integrating management systems across QSL

At QSL, our operations staff reflect decades of institutional and industry knowledge. This has been vital in helping us adopt and integrate new technologies and management systems. The better integrated our management systems, the more effectively we can support our operations teams and our clients. Doing so also empowers us to create a net positive impact on the world. In 2018, we embarked on Project DATA, a major transformation program to connect all of our management systems through a singularly powerful, custom-designed application we call TC3.

### Why are we doing this?

For cargo to move efficiently around the world, we must be able to operate seamlessly behind the scenes. Disparate, disconnected and legacy systems were holding us back. By embracing a digital approach, designed specifically to reflect the complex needs and nuances of our customer base, we have streamlined operations across QSL.

### What have we achieved?

We now have exceptional visibility into, and control over, our operations. By extension, that line of sight is allowing us to better manage our environmental footprint, monitor health and safety performance, track greenhouse gas (GHG) emissions and more. For example, we are using our performance data to roll out a telemetry program across all our machinery and equipment, which makes our working environment safer for our people, lowers our fuel consumption and optimizes our operations. For all these reasons, this transformation initiative was a major factor in QSL being named one of Canada's Best Managed Companies in 2019. As of May 2023, we achieved Gold Status within this distinctive awards program. It also contributed to QSL earning a number of accolades in 2021 and 2022:

- 2021 Productivity Increase Lowes Award at les *Mercuriades* (winner)
- 2021 Quebec-New Brunswick Innovation and Marketing Award (winner)
- 2021 OCTAS Competition (finalist status)
- 2021 OCTAS Digital Solution Award (finalist status)
- 2021 TELUS Technological Innovation (finalist status)

### What is our next goal?

Greater access to timely and accurate data now allows us to contemplate the next phase: integrating artificial intelligence (AI) into our operations. This will allow us to increase our productivity and offer our people a safer working environment (with valuable, new career opportunities) while reducing our environmental footprint. Over the last five years, QSL has invested more than \$20 million in IT to move us forward on that path. In 2026, we'll complete our ISO 9001 implementation.





### Co-developing new approaches with clients

The facilities where we and our clients operate often involve niche requirements, creating opportunities for innovation. In 2019, a QSL steel industry client was looking to convert a facility that would allow the business to export directly into the United States. When the \$100 million price tag and 10-year lead time proved prohibitive, we stepped in to co-develop a solution that would work for all.

#### Why are we doing this?

We are more than client service providers. We aim to be trusted partners and allies, working with our clients to achieve tremendous results. By lending our engineering team's ingenuity to this process, we took client service to the next level and helped design and implement a conversion plan faster, and more affordably, than other firms could.

#### What have we achieved?

Getting down to the heart of what our clients required, we designed a plan that allowed them to convert the facility to their exact specifications for \$20 million in just six months. This empowered the client to meet their goals, within budget, and start building for the future right away.

#### What is our next goal?

We are continuously exploring additional ways to apply this collaborative thinking and strategy to create solutions for other projects, facilities and locations.







## The Green Energy Hub

The decommissioning of legacy facilities offers chances to adapt and improve operations in ways that support environmental, economic and social priorities.

**In 2021, we collaborated with Port of Belledune initiatives to create a Green Energy hub.** Together, we invested in tailor-made infrastructure capable of providing high-quality storage facilities and services that could efficiently export locally made wood pellet products and handle new volumes of bulk products.

### Why are we doing this?

Wood pellet suppliers in New Brunswick and Eastern Quebec require reliable means of shipping and exporting their goods to capitalize on important business opportunities. For example, Europe's shift away from coal-powered thermal centres towards greener options represents a meaningful chance for Canadian suppliers to fulfill growing demand for wood pellets. First, suppliers must be capable of shipping into those markets.

### What have we achieved?

By collaborating with the Belledune Port Authority and NB Power on this initiative, we are fostering economic growth across the region, and supporting the global energy transition in big ways. We are proud to have won the *Prix innovation et commercialisation Québec-Nouveau-Brunswick 2021* in recognition of this purposeful work.

### What is our next goal?

The Federal government has announced \$12.5 million in their financial support for a \$25 million project geared to create a dry bulk conveyor loop between two terminals at the Port of Belledune who will be investing \$2 million in the endeavour. Following this announcement, the Government of New Brunswick confirmed an investment of \$4 million in strategic infrastructure improvement. QSL's contribution is \$6.3 million. These investments will facilitate reloading and shipments by linking the deep-water terminal to the staging area, renovating existing storage facilities, building both a new warehouse and transfer tower. This undertaking will increase the quantity of bulk cargo the port can handle, making it easier to move goods like forestry products, minerals and petroleum between vessels and other modes of transportation. We are proud to be playing a part in bringing this to life. The project will have lasting positive economic, employment, supply chain and environmental impacts across the region.



## 2. Collaborating to overcome client challenges

What matters to our clients matters to us.

Whether that represents an ambitious business goal, unforeseen emergency or anything else that may pop up along the way, our workforce is committed to helping clients across a broad range of potential scenarios. This is the very definition of **Tailor-Made Success™**.

### Working together to overcome crises

When a fire compromised client operations in 2019, we immediately tapped our network to find solutions that could bring their business and their operations back online safely and quickly. Within 24 hours, our terminal team in Grande-Anse had rallied other terminals, as well as maintenance, engineering and sales teams, to join forces and lend a hand.

#### Why are we doing this?

'**Tailor-Made Success™**' is more than something we say. It comes to life through the actions we take in the ordinary course of business and extraordinary situations. It is core to who we are, and the impact we seek to make on the world.

#### What have we achieved?

Our client was able to get back up and running in just one week. Thanks to above-and-beyond QSL team members, gaps were filled, solutions were found and progress was made. Among the messages of gratitude we received, clients consistently cited our commitment to '**Tailor-Made Success™**' as having been the key to overcoming this crisis, and moving forward.

#### What is our next goal?

We remain committed to helping our clients no matter what unforeseen events occur. That means seizing opportunities and stepping in to solve challenges. Exceptional client service must cover both.







## Standing strong on cybersecurity

The day a cybersecurity attack halted operations at an aluminum plant we work with, **QSL immediately took action**. By leveraging QSL's own IT system, we were able to help our client gain access to enough of the missing information required to continue interim operations until the overarching issue was resolved.



### Why are we doing this?

Cybersecurity is paramount to success in all industries. The risks and threats evolve daily. By aligning forces to support our clients in times of need, we're helping bolster the industry against attacks, and contributing to a more secure future going forward.



### What have we achieved?

By sharing our resources and expertise, we were able to implement important stop-gap solutions that enabled our client to continue running. This saved time, resources and capital, supporting business continuity during a very precarious situation.



### What is our next goal?

We are continually exploring ways to help our clients overcome obstacles. Any time we can collaborate to help ease the strain, and make a positive impact, we will.





### 3. Teaming up to advance shared sustainability goals

The impact we make extends far beyond the efficiency of our operations.

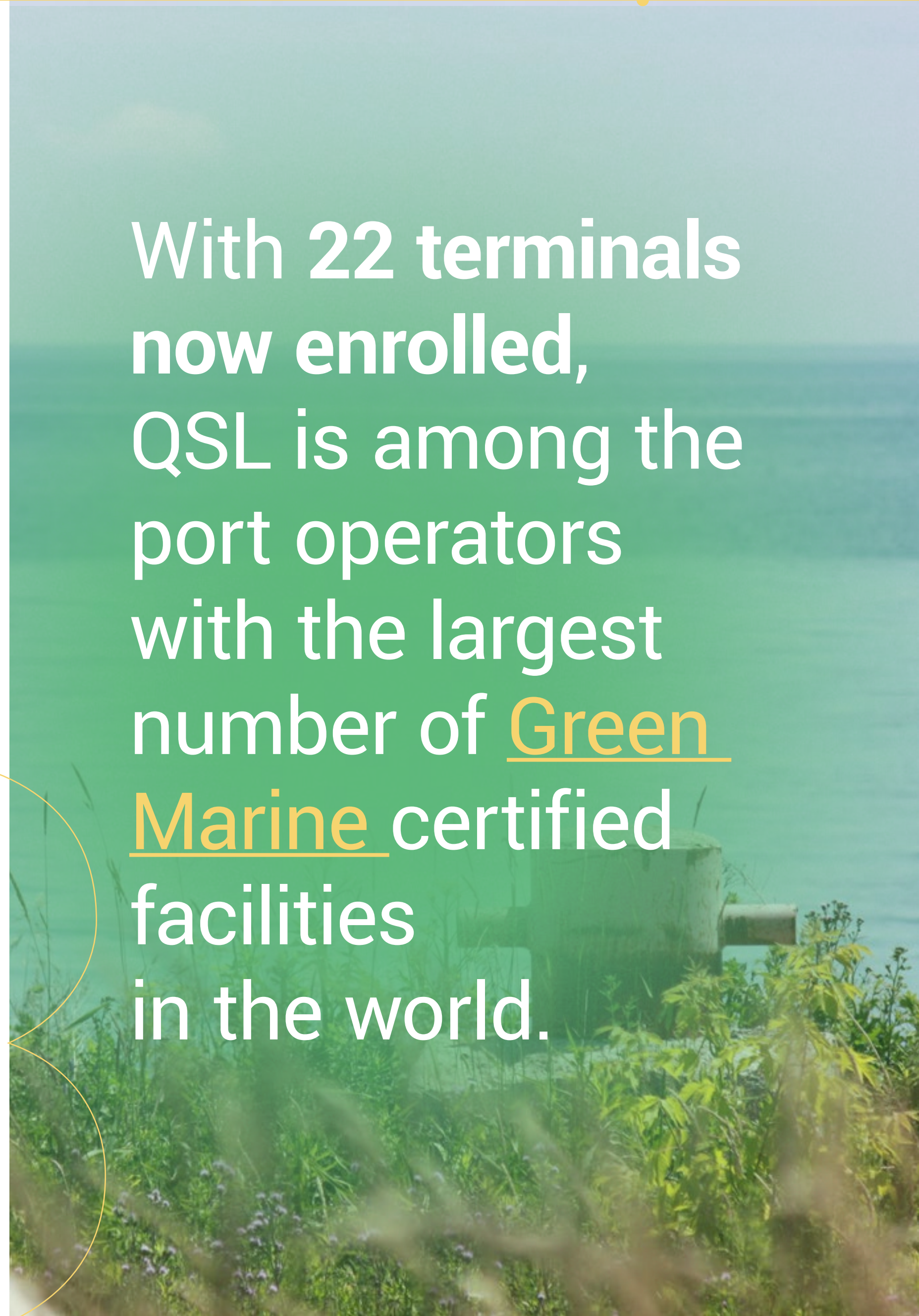
Collaborating with our clients also means working together to solve societal challenges. The marine industry can contribute a great deal to advance sustainability. We want to be a part of that progress. **With that in mind, we collaborate across our ecosystem to marshal the kind of change that moves people, companies, industries and the planet forward:**

→ **We are deeply involved with the Green Marine Environmental Certification program.** While our largest terminals joined the program in 2015, we have also contributed at the Board and Advisory Committee levels since 2017. In 2018, we made it part of our process for all terminals to join the program. This has been invaluable. Our participation has opened up chances for QSL to collaborate with other stakeholders across the maritime industry, build awareness around this certification and advance ESG goals together. This externally certified, continuous improvement program has significantly helped us put in place the measures needed to become a stand-out example within our industry. With 22 terminals now enrolled in this certification program, QSL is among the port operators with the largest number of Green Marine certified facilities in the world. We are also in the process of implementing ISO 14001 and 45001 certifications, moving us even closer to achieving our vision: become the North American industry leader in environmental standards.

There are ample opportunities to continue building ESG into our quality service offerings, align those capabilities with our clients' corporate objectives and foster a more sustainable future. That could mean targeting a shared emissions reduction goal and working to achieve that target across our shared value chain. Perhaps this entails bringing additional, likeminded suppliers into our procurement mix to improve diversity, equity and inclusion within our broader operations, and in support of our clients' ethical procurement goals and practices. It will take bold thinking and teamwork to make lasting positive change and we are actively exploring those possibilities now.



With 22 terminals now enrolled, QSL is among the port operators with the largest number of Green Marine certified facilities in the world.





## Where do we go from here?

QSL already has a strong history of helping our clients achieve **Tailor Made Success™**.

Today, we want to take those efforts even further. Through deliberate action, we are soliciting more client feedback, forging out new partnerships, and increasing dialogue with our clients and collaborators. This will allow us to not only further strengthen our service quality, but also to forge stronger ties across our entire ecosystem. We firmly believe we are stronger together. Currently, we are in the process of reviewing that feedback as we define the next steps and timeline over the course of the summer of 2023.



2023



# Looking

**Our first ESG report is a testament to what QSL has achieved so far.** We are aligning sustainability and long-term growth at the heart of our business strategy. This is an important step; but there are many more to come.

Across the maritime industry, we see opportunities to collaborate beyond bottom-line results. We want to work with like-minded stakeholders to drive growth while simultaneously addressing climate change, nurturing the environment, supporting our communities, redefining the future of work and delivering quality service. Every solution we create together has the potential to help a customer, community or entire industry advance their own sustainable development goals.

This is what sustainable operations and long-term value creation is all about.

We are grateful to all the contributors who' supported the progress detailed in this report. We look forward to continuing to collaborate on the ESG journey ahead.