



ADMINISTRATION DE PILOTAGE DES LAURENTIDES



Administration
de pilotage
des Laurentides

Laurentian
Pilotage
Authority

CORPORATE PLAN SUMMARY 2025/2029

Operations 2025
Investment 2025



Table of contents

1.0 / Executive summary	2
2.0 / Overview of the Laurentian Pilotage Authority.....	3
2.1 / Mandate, vision and public interest role	3
2.2 / Principal activities	4
2.3 / Financial situation	5
3.0 / Operational environment.....	6
3.1 / External environment.....	6
1. Economic environment and marine traffic	6
2. Markets and competition	6
3. Business partners	6
4. Technological changes and development of new products and services.....	7
5. Climate change and sustainable development	7
6. New pilotage areas.....	8
7. Pilotage Act review	8
3.2 / Internal environment	8
1. Workforce, labour relations and compensation.....	8
2. Recruitment and training – marine personnel.....	9
3. Management of pilot boats, shuttle and infrastructure.....	10
4. Performance.....	10
5. Internal/external audits	11
6. Compliance with the Government of Canada requirements.....	11
4.0 / Objectives, activities, risks, expected results and performance indicators.....	12
4.1 / Objectives, activities and expected results.....	12
4.2 / Risks	18
5.0 / Financial overview.....	19
5.1 / Financial management of the LPA.....	19
5.2 / Financial performance for 2022 to 2024	21
Revenues	21
Direct expenses.....	22
Administrative and operational expenses.....	23
5.3/Financial forecast for 2025 to 2029	24
Revenues	24
Direct expenses.....	25
Administrative and operational expenses.....	26
5.4/Investment budget	27
Appendix 1 / Guidance or Mandate Letter from the Minister.....	29
Appendix 2 / Corporate Governance Structure.....	32
Appendix 3 / Expected Results.....	35
Appendix 4 / Declaration by the CHIEF FINANCIAL OFFICER.....	37
Appendix 5 / 2025-2029 Financial Statements Forecast and Budget	38



Appendix 6 / Borrowing Plan..... 43
Appendix 7 / Risks and Related Mitigation Measures 45
Appendix 8 / Compliance with Legislation and Policy Requirements 52
Appendix 9/Government Priorities and Directions..... 54
Appendix 10 / Organizational Chart 57

1.0 / EXECUTIVE SUMMARY

The past few years have been characterized by significant operational, regulatory and governance changes within the Laurentian Pilotage Authority (“LPA” or the “Authority”). After weathering the pandemic crisis, the Authority’s activities have continued to reflect a cautious return to more normal economic activity. In 2023, the LPA’s sound financial management allowed it to record a positive fiscal year, and a similar result is anticipated for the current year.

Nevertheless, the pandemic and the investments made in its assets, namely for the construction of a new pilot boat and the replacement of the marine infrastructure in Les Escoumins, have led to a significant decrease in the organization’s financial reserve. This reserve is crucial to maintain an efficient pilotage service, ensure a high degree of predictability with respect to charges and maintain the LPA’s capacity to deal with unforeseen events in the coming years. In this context, a plan to replenish the working capital of the LPA is expected to ensure the continuance of operations, as well as to carry out the activities presented in this Corporate Plan.

The LPA is in the process of updating its strategic plan and its vision of being a *trusted partner in resilient, intelligent and sustainable pilotage systems by contributing to Canada’s supply chain performance*. Guided by this evolving strategic planning approach, the LPA’s activities will be focused around six work areas, including providing high-performance pilotage services, integrating sustainable development into key aspects of our activities, pursuing technological innovation to support pilotage services, consolidating partnerships to promote a resilient and interconnected maritime corridor, continually strengthening our organizational capacities, and maintaining financial sustainability. In this evolving context, the LPA will maintain its efforts to promote a healthy organizational culture that strengthens inclusion, performance, collaboration and innovation.

Several factors will impact the LPA’s activities and investments in the near future. In particular, the upcoming decision of Transport Canada (“TC”) regarding the regulation of compulsory pilotage in four ports on the North Shore remains an important issue for the organization. The LPA continues to support TC in this process and to deploy its best efforts to put in place the necessary measures in the event that it is called upon to provide services in this region. The LPA will also remain active in applied research to better understand and manage the factors that affect its ability to provide



safe and efficient pilotage services. In this regard, the Authority will continue its participation in research projects concerning the hydrographic characteristics of the St. Lawrence River and the connections with climate change (water levels, erosion, underwater waves, etc.) as well as in initiatives concerning technological advances to explore the development of new ways of approaching pilotage and more effectively managing the transit of ships in a restricted waterway (optimized pilotage system, etc.).

Finally, the financial forecasts presented in this Corporate Plan are the result of projections made considering key priorities and issues, as well as the underlying constraints and opportunities. These forecasts remain subject to contextual fluctuations. Nevertheless, the LPA is confident that it will be able to maintain its momentum and, in collaboration with its partners, find new ways to ensure its development and to remain an important link in the Canadian supply chain.

2.0 / OVERVIEW OF THE LAURENTIAN PILOTAGE AUTHORITY

2.1 / MANDATE, VISION AND PUBLIC INTEREST ROLE

Created in 1972, the LPA is the gateway to marine pilotage services in the waters of the St. Lawrence River, the Gulf of St. Lawrence and the Saguenay River.

The mission of the Authority, as defined in the *Pilotage Act*, is to establish, operate, maintain and administer, in the interests of safety of navigation, an efficient pilotage service in the waters under its jurisdiction. Financially self-sufficient, the LPA carries out its activities with a view to protecting human health, property and the environment. It also relies on sound risk management and state-of-the-art technology, in accordance with the legislative framework.

The LPA recently undertook the work of updating its strategic plan and vision to be a *trusted partner in resilient, intelligent and sustainable pilotage systems by contributing to Canada's supply chain performance*. This strategic plan will continue to evolve under the guidance of the Board of Directors and will be reviewed on an annual basis.

Through its mandate and vision, the LPA contributes to the safety of the public and marine personnel, and the protection of the marine ecosystem on which coastal and Indigenous communities depend. In doing so, the LPA also contributes to the resilience of the supply chain and the economic well-being of Canada. By facilitating the movement of nearly all the 150 million tons of cargo and 200,000 cruise ship passengers that travel through the St. Lawrence corridor each year, the Authority is a key component of a safe and efficient marine transportation system that connects the world's third-largest economic region to global markets and ensures the economic security of Newfoundland and Labrador and Arctic communities.

The LPA is a federal Crown corporation under the *Financial Administration Act* and is accountable to the Parliament of Canada through the Department of Transport.

2.2 / PRINCIPAL ACTIVITIES

To fulfil its mandate, the LPA has established three compulsory pilotage districts covering an area of over 265 nautical miles between Montreal and Les Escoumins, and another 70 nautical miles on the Saguenay River. Ships are subject to compulsory pilotage based on several criteria established through regulation. In the case of ships not registered in Canada, all ships over 35 metres in length are subject to compulsory pilotage in the three districts. For Canadian-registered ships, this obligation varies according to the size of the ships and the pilotage districts.

Map of compulsory pilotage districts and waters under LPA jurisdiction



The provision of pilotage services entails a series of precise activities that must be meticulously orchestrated by LPA employees. In carrying out its mandate, the Authority must 1) define the risks associated with certain types of ships as part of its planning for transit and pilot assignments, 2) determine the acceptable parameters for their navigation in a busy channel whose natural environment is increasingly challenged by climate change, and 3) adapt risk mitigation measures



and technologies to each ship before deploying a pilot on board. The LPA is also responsible for recruiting apprentice pilots and approving the training program.

The LPA dispatch centre, located in the Montreal headquarters, is the nerve centre for pilotage services. Its dispatchers are responsible for organizing services and assigning the right pilot to a ship at the right time, while planning the activities involved for their notification, deployment and transfer by pilot boat to a ship. The dispatch centre serves all three districts and is operational 24 hours a day, 365 days a year.

To transfer each licensed pilot from shore to ship or from ship to shore, the LPA uses five pilot stations, located in Les Escoumins, the City of Quebec, Trois-Rivières, Sorel and Montreal. These stations are forward bases for deploying pilots to and from ships operating in the LPA's corridor. They are served by a fleet of pilot boats and are operated by dedicated crews who meet the constant demands of the marine trade, 24/7 year-round.

Canadian pilots, in the service of the LPA through service contracts, work to maintain a safe route through the capricious and challenging waters of the St. Lawrence. Managed and dispatched by our Montreal dispatch centre, and rapidly transferred by pilot boats out to the ships, over 220 licensed pilots and apprentice pilots work in the compulsory pilotage waters served by the LPA.

Three other Pilotage Authorities provide similar services in Canada. Although the clientele may be the same at times, each authority has sole jurisdiction in the waters for which it is responsible.

2.3 / FINANCIAL SITUATION

After weathering the pandemic crisis, the Authority's activities continue to reflect a cautious return to more normal economic activity.

The 2023 fiscal year confirmed the marine industry's recovery despite some instability in global markets.

The Authority recorded an increase in total revenues compared to 2022 as well as a positive overall result. However, the pandemic and the investments made had a significant impact on the organization's cash position. Reserves will need to be replenished to ensure continued operations, as well as to carry out the activities presented in this Corporate Plan. Maintaining a long-term vision, the LPA continues its efforts to optimize its resources and is investing in improving its services for the medium-term benefit of its clients and the marine industry.

For further information on the LPA's activities and the most recent audited financial results, please refer to the latest annual report, available on the website at:

<https://www.pilotagestlaurent.gc.ca/en/financial-reports.html>, under the "Reports" tab.



3.0 / OPERATIONAL ENVIRONMENT

3.1 / EXTERNAL ENVIRONMENT

1. *Economic environment and marine traffic*

Over the past five years, an average of 22,000 assignments were made, with no significant difference between them. Economic forecasts for 2025 are dividing analysts as market uncertainty suggests an economic slowdown. By the end of 2023, persistent political tensions across the world, supply chain disruption, rising freight rates and container shortages point to challenging years ahead, which has a direct impact on the LPA's expected results.

With this fluctuating traffic, the LPA needs to adapt its service provision so that it remains effective, efficient and safe regardless of the level of activity on the water. This means developing systems to better manage pilotage services, managing assignments to optimize transits under the conduct of a pilot and implementing protocols to help coordinate certain tasks.

2. *Markets and competition*

The LPA operates under the *Pilotage Act*, which requires clients to use its services. Though this puts the LPA in a monopoly position, it remains well regulated by a legal-institutional framework that ensures the reasonableness and fairness of its charges. The LPA's clients, i.e., shipowners, are in competition with all other types of transport, as well as with competitors serving ports on the east coast of Canada and the United States. This competition can have a positive or negative impact on the marine traffic levels and the LPA's services, and consequently on the Authority's revenues. The LPA endeavours to provide efficient and effective services, as this influences the corridor's competitiveness and thus the LPA's self-sufficiency.

3. *Business partners*

The LPA mainly uses Ocean Group as its supplier of pilot boarding services in Montreal, Sorel, Trois-Rivières and the City of Quebec. During the last negotiations, the LPA renewed the service contracts with Ocean Group for five years, starting in January 2024. The LPA also began a complete review of the situation in 2024 and a decision on the overhaul of pilot boarding services is expected in 2026, with a focus on continuous improvement and sustainability of services. The implementation of a project of this magnitude could require several years of work, depending on the findings.

With respect to pilotage services for the three districts under the jurisdiction of the LPA, the Authority has no employee pilots but rather provides pilotage services in the region through service contracts with two pilot corporations: the Corporation of Mid St. Lawrence Pilots (CMSLP) and the



Corporation of Lower St. Lawrence Pilots (CLSLP). The current service contract with the CMSLP, with an initial term of 3 years, ended on June 30, 2023. Both parties have agreed to extend this contract twice, each time for a period of one year, until June 30, 2025. The contract with the CLSLP covers the period from 2021 to 2024. The CLSLP recently exercised the termination clause, and the parties will enter into negotiations this fall. Further negotiations could also take place with the CMSLP in the spring of 2025 if this contract is also terminated.

4. Technological changes and development of new products and services

The LPA closely monitors technological progress in commercial navigation and positions itself to address advances affecting the safety, effectiveness and efficiency of pilotage services and ship transits. As part of this work, the LPA leads a technology working group, under the auspices of the National Pilotage Committee, to keep a strategic watch on current and future technologies within the marine community. In the context of these discussions, the LPA shared with the other Pilotage Authorities the progress of its optimized pilotage system. The LPA also continues its work in partnership with federal, provincial and private-sector organizations to enhance the coherence of efforts in the emergence of a smart, competitive, resilient and sustainable trade corridor on the St. Lawrence. Finally, the LPA actively participates in various projects studying technological advances in pilot assistance and the development of new ways of approaching pilotage.

In focusing on technology and innovation, the LPA continues its mission to provide effective and efficient pilotage services that promote navigation safety and environmental protection. In this context, the Authority continues the development and implementation of two new services. The first consists of using a navigation simulator enabling, in particular, the training of marine personnel and the analysis of factors having an influence on the safety of navigation. The LPA will also be able to use the simulator to provide consulting services in its field of expertise, to both public and private sector clients, thereby broadening its sources of revenue. The second service stems from the development and use of the optimized pilotage system. This strategic IT tool created by the LPA helps improve the fluidity of marine traffic and optimizes several important components for clients, such as travel time, pilotage costs and fuel consumption. Optimizing transits, by adjusting speed and reducing fuel consumption, will also contribute to the LPA's sustainable development objectives and to the federal government's efforts to promote greater resilience and competitiveness of the supply chain established in the St. Lawrence marine corridor. See Section 4 – Strategic orientation No. 3 for more details.

5. Climate change and sustainable development

In recent years, climate change has had an impact on navigation conditions on the St. Lawrence River and, by extension, on the LPA's operations. Considering its commitments to sustainable development, the LPA adopted its first sustainable development policy in 2023. In the near future, the LPA will work to define GHG emission reduction targets in line with Canada's carbon neutrality objective and to identify the main financial and operational risks related to climate change (costs related to the energy transition, impacts of weather events on marine infrastructure, pilotage services and navigation safety, etc.). See Section 4 – Strategic orientation No. 2 for more details.



6. New pilotage areas

In 2023, TC presented the results of a risk analysis in the ports of Baie-Comeau, Sept-Îles, Port-Cartier and Havre-Saint-Pierre for the transition from private pilotage to public pilotage services under the *Pilotage Act* with the intention of recommending to the government the implementation of new compulsory pilotage areas. Pending a final decision from TC, the LPA continues to work on putting in place the necessary measures in the event that it is called upon to provide services in this region, which would represent approximately 2,600 additional assignments per year. Given the national strategic importance of the North Shore ports to Canada's commercial competitiveness in the mining sector, the expansion of services in these ports requires a significant investment of time and effort for the Authority. See Section 4 - Strategic orientation No. 1 for more details.

7. Pilotage Act review

Overall, the latest amendments made in the context of the modernization of the *Pilotage Act* represent opportunities for the LPA, but some factors remain to be clarified. While the modernization of the legislation resulted in the transfer of regulatory functions from the Pilotage Authorities to TC, the workload and the level of responsibility of the LPA have not diminished, quite the contrary. First, the amendments made in 2019 refocused the role of the Pilotage Authorities on the provision of efficient and responsible services in line with evolving technologies, which contributes to increasing demands on the Pilotage Authorities to expand their business models in a context where the resilience, competitiveness and efficiency of Canadian supply chains are at the heart of government and industry priorities. Second, the implementation of the revised *Pilotage Act* is also taking place in a context where the sharing of responsibilities between TC and the LPA continues to evolve. The LPA continues to work closely with TC to develop the regulatory framework and actively contributes to the work of the National Pilotage Committee.

3.2 / INTERNAL ENVIRONMENT

1. Workforce, labour relations and compensation

There are 71 permanent employees on the LPA team. These employees work in different units at the LPA's Montreal headquarters, its pilot boarding station in Les Escoumins and on the Ville-Marie shuttle serving the Port of Montreal. For the period covered by this Corporate Plan, the LPA will continue to closely monitor developments in its internal and external environments and will assess the need for possible growth that may be required to fulfill its mandate, while continuing to focus on innovation and return on investment for its assets. The increase in staff number in 2024 and 2025 should provide greater organizational capacity at the technological, analytical and innovative level for the benefit of a smart, resilient and sustainable shipping corridor.

The government's expected decision on the expansion of pilotage services on the North Shore could lead to a slight increase in the number of employees in the future.

The LPA's organizational chart can be found in Appendix 10.



Employee breakdown

	ACTUAL 2023	FORECAST 2024	PLAN 2025
Executive Committee	6	6	6
Administration	16	17	20
Operations and dispatch	26	26	26
Ship crew	22	22	22
Total	70	71	74

With a new management team, talents in place for several years and the arrival of new contributors, the LPA continues to evolve towards a collaborative and efficient organizational culture. The LPA works in conjunction with two unions, the Public Service Alliance of Canada (PSAC) and the Canadian Merchant Service Guild (Guild), representing many of its employees. The collective agreement covering Guild-affiliated employees, which expired on June 30, 2022, was renewed in 2023. It will expire on June 30, 2026. The collective agreement for PSAC-affiliated employees, which was renewed for one more year in 2024, will expire on June 30, 2025.

In 2024, the LPA completed the exercise of developing its pay equity plan, according to the *Pay Equity Act*. Over the next few years, the LPA will ensure that it carries out pay equity maintenance exercises and monitors trends and best practices in terms of overall compensation to provide a competitive offer to its employees and attract the best talent. As an employer of choice since 2021, we strive to reassess and develop our practices to meet the needs of our organization, our clients and our employees.

2. Recruitment and training – marine personnel

The national and international context of marine workforce shortage represents a challenge for the LPA in its efforts to recruit apprentice pilots to ensure sustainability of pilotage services. The Authority continues to actively discuss with the CMSLP and the CLSLP, the two corporations authorized to represent contract pilots operating under the jurisdiction of the LPA, to determine the minimum number of pilots required for the coming years. At this stage, the LPA is not experiencing any delays attributable to the lack of personnel while being aware of the importance of maintaining its active recruitment efforts.



Breakdown of licensed pilots and apprentice pilots:

	ACTUAL	FORECAST	PLAN				
	2023	2024	2025	2026	2027	2028	2029
Licensed pilots	203	202	205	205	206	206	206
Apprentice pilots	11	10	10	12	12	12	12

Recruitment challenges also provide an important context for the operation of the LPA's fleet of ships (pilot boats and shuttle).

Aware that these recruitment challenges could become even more acute in the medium and long term, the LPA has identified technological innovation among its main strategic orientations (optimization of service, exploration of new ways of approaching pilotage, etc.) in addition to actively participating in various research and promotion initiatives within the marine industry to support the development of human resources and skills at the national and regional levels (representation at job fairs, funding of student scholarships for the marine workforce, etc.).

3. Management of pilot boats, shuttle and infrastructure

In the spring of 2023, a new three-season pilot boat that meets the specific operational realities of Les Escoumins was delivered to the LPA. This new pilot boat provides increased crew safety and comfort, significantly reduces energy consumption, and decreases pilot boarding time by approximately 50% compared to older pilot boats. In addition to these operational advantages, the expansion of its pilot boat fleet allows the LPA to increase the resilience of its service offering not only in Les Escoumins, but also downstream through the chartering of one of its boats to Ocean Group for pilot boarding services at the Port of Quebec. In recent years, the LPA has also invested in the replacement of its marine infrastructure in Les Escoumins.

4. Performance

In recent years, sound financial management has generally resulted in the LPA achieving better financial performance than budgeted. For the year 2023, the LPA's overall result amounted to \$494,000, compared to an overall expected loss of \$804,000. For the current year, the LPA initially forecasted a surplus of \$2.2 million in its 2024-2028 Corporate Plan. Current forecasts instead set the surplus at \$753,000. This variance takes into account lower than expected traffic and the fact that, following the signing of contracts with the pilot corporations, retroactive payments had to be made, and the contractual rates were higher than budgeted, and this is partly due to inflation.



At the end of 2019, the financial reserve stood at \$11.9 million. This allowed the LPA to maintain an efficient service for its clients and ensure a high degree of predictability in the level of charges levied on them. Nevertheless, this reserve has significantly declined and will need to be replenished to maintain the LPA's capacity to deal with unforeseen events over the next few years, which will be influenced, in particular, by rising investment costs and inflation, as seen in recent months.

The LPA's room for maneuver is influenced by many factors that can have a significant impact on its operations. For example, it has no control over marine traffic and its service contracts with pilot corporations may be subject to arbitration during negotiations. In addition, charges revisions planned by the LPA may also be contested by shipowners. The *Pilotage Act* requires that charges collected by Authorities be fair and reasonable for all clients. To achieve its objectives and address the risks mentioned above, the LPA seeks to present a fair pilotage charge program, which includes stable increases to allow the Authority not only to meet its obligations, but also to build up a sufficient financial reserve in order to cope with traffic fluctuations and unexpected external events (e.g., pandemics), to achieve its priorities of sustainable development, and to make the necessary investments provided for in this Corporate Plan.

In terms of operational performance, the LPA has been able to maintain a satisfactory level for its main indicators. In 2023, 13 incidents/accidents were recorded, while the percentage of pilotage missions carried out without delay due to the pilotage system was 99.9%, a score meeting the highest quality standards.

5. Internal/external audits

The LPA conducts annual internal audits to validate and improve processes in place. In addition, its financial statements are audited annually by the Office of the Auditor General of Canada (OAG). The LPA has received unmodified opinions during audits in recent years. The last special examination by the OAG took place in 2022. The results of this examination were transmitted to the Minister and the Treasury Board in May 2023. Measures are being put in place to address the shortcomings raised in connection with the monitoring of preventive safety measures related to pilot boarding operations and other recommendations.

6. Compliance with the Government of Canada requirements

As a federal Crown corporation, the LPA complies with the requirements of applicable legislation and policies. Detailed information can be found in Appendix 8/Compliance with Legislation and Policy Requirements. The related activities can be found in Appendix 9/Government Priorities and Directions.



4.0 / OBJECTIVES, ACTIVITIES, RISKS, EXPECTED RESULTS AND PERFORMANCE INDICATORS

4.1 / OBJECTIVES, ACTIVITIES AND EXPECTED RESULTS

During 2024, the Authority held strategic planning sessions as part of an ongoing process of updating its vision and directions covering the period 2024-2027. Our strategic approach will be reviewed on an annual basis under the guidance of the Board of Directors and is focused on six areas:

1. **Efficient pilotage services:** provide high-performance pilotage services (efficient, safe, reliable and resilient).
2. **Sustainable development:** integrate sustainable development considerations into key aspects of our activities and promote it within the industry.
3. **Innovation:** pursue innovation by developing, integrating and adopting technologies and drawing inspiration from best practices.
4. **Partnerships:** promote a resilient and interconnected corridor through collaborative and inclusive partnerships.
5. **High-performance team and organization:** develop a high-performance collaborative culture and strengthen organizational capabilities.
6. **Financial sustainability:** ensure a financial balance between fair charges and sound management.

The Authority has also defined a series of activities to be accomplished to realize its efforts. Achieving these activities, some of which are mentioned in the table below, is aligned with the mandate of the LPA and the priorities of the Government of Canada and represents the main success factor for management.

It should also be noted that the LPA uses other indicators to monitor its organizational performance. Targets are generally monitored over a short period for operational activities and a longer period for strategic projects. See Appendix 3/Expected Results for more details.



Strategic orientation No. 1: provide high-performance pilotage services (efficient, safe, reliable and resilient)

Measures	Target expectations	Recent results
<p>Implementation of a management system</p> <p>The process of developing a quality management system for pilotage services under the <i>Pilotage Act</i> is still ongoing, awaiting a new regulation from TC.</p> <p>The LPA will also have to develop a marine safety management system for its pilot boats under the new <i>Marine Safety Management System Regulations</i>, which came into force in June 2024.</p>	<p>Quality management system for pilotage services</p> <ul style="list-style-type: none"> • Mapping of administrative processes planned by Q4 2025. • Implementation planned by Q4 2027, subject to publication of the new TC regulations. <p>Marine Safety Management System</p> <ul style="list-style-type: none"> • System development and certification planned by Q3 2025 and implementation by Q3 2026. 	<p>Quality management system for pilotage services</p> <ul style="list-style-type: none"> • Mapping of the main operational processes relating to assignment, pilot boarding operations, pilotage, client invoicing and the concept of security was completed in 2023. • Ongoing update of business continuity plans and emergency plans for operations in Les Escoumins.
<p>Optimizing dispatch services</p> <p>At the LPA headquarters, 24 dispatchers monitor marine traffic and assign more than 200 pilots to ships. The optimization of these services is part of a goal of continuous improvement in the management of pilotage services to support navigation safety and traffic flow.</p>	<ul style="list-style-type: none"> • Definition of the optimization plan by Q2 2025. • Deployment of the optimization program by Q1 2026. 	<ul style="list-style-type: none"> • Review of dispatching and invoicing processes with a view to continuous improvement and optimization (in progress).
<p>Boarding services review</p> <p>The LPA has begun thinking about overhauling pilot boarding operations between Les Escoumins and Montreal, taking into account the objective of operational resilience, the potential addition of compulsory pilotage on the North Shore and the greening of its operations.</p>	<ul style="list-style-type: none"> • Preliminary analysis and by Q1 2025. • Planning, analysis and presentation of recommendations to the Board of Directors planned by Q2 2026. 	<ul style="list-style-type: none"> • The identification of potential scenarios with a view to improving the quality of the offer made to its clients started.



	<ul style="list-style-type: none"> Note: Considering the scope of this project, implementation is envisaged over a 4-year horizon. 	
<p>Work plan to support the government's upcoming decision on compulsory pilotage for four ports on the North Shore</p> <p>As mentioned above, the LPA continues to work on putting in place the necessary measures in the event that it is called upon to provide services in the ports of the North Shore, following a possible decision by TC.</p> <p>Note: Aside from expertise, operational support and project management costs, the LPA has not budgeted for charges and expenses associated with these potential new services.</p>	<ul style="list-style-type: none"> Having asserted the position of the LPA at each stage of progress of TC's work. Carrying out the preparatory work to deliver the required services in the event of TC adopting a regulation: i.e., confirming the ship conduct capabilities (service agreement), integrating the area into the dispatch system, identifying risks and adopting mitigation measures, etc. 	<ul style="list-style-type: none"> Active participation of LPA representatives in TC work as well as progress in preparatory work.

Strategic orientation No. 2: integrate sustainable development considerations into key aspects of our activities and promote it within the industry

Measures	Target expectations	Recent results
<p>Deployment of the SD action plan</p> <p>The LPA acknowledges that sustainable development must be at the heart of its actions. In 2023, the LPA established the foundations of its SD strategy to support the integration of these considerations in all key sectors of the Authority.</p>	<ul style="list-style-type: none"> Finalization of the 2025 action plan by Q1 2025 and begin the deployment of the plan. First statement on climate-related financial risks for the 2024 fiscal year by Q3 2025. Identification of interim GHG reduction targets by Q4 2025, to support the Government of Canada's goal of carbon neutrality by 2050. Inclusion of SD commitments in the procurement policy during 2025. 	<ul style="list-style-type: none"> Adoption of a SD governance policy and structure at the end of 2023 and the beginning of 2024. First GHG assessment carried out in 2023 (for reference year 2022). Maintain its annual certification for its pilot boats owned under the Green Marine (an environmental certification program).



- Assess the feasibility of an incentive pricing project, i.e., green ships.

Strategic orientation No. 3: pursue innovation by developing, integrating and adopting technologies and drawing inspiration from best practices

Measures	Target expectations	Recent results
<p>Evolution of the development and deployment of the optimized pilotage system</p> <p>As mentioned above, this IT tool will optimize ship transits on the St. Lawrence River using real-time data. Ultimately, this software will also be integrated with other projects that LPA partners are currently working on.</p>	<ul style="list-style-type: none"> • Added dock availability. • The test phase with partners is ongoing. • Addition of complementary functionalities. • System rolled out for client use by Q3 2025. 	<ul style="list-style-type: none"> • Integration of VN-301 (Directives for the transit of large scale and large length vessels in the St. Lawrence Waterway 2020 Edition). • Establishment of partnerships to test the system with key shipowners.
<p>Deployment of simulator use and marketing strategy</p> <p>The main objective of the simulation centre is to promote the safety, effectiveness and efficiency of marine transits using technology. The centre's activities will also contribute to the financial autonomy of the LPA by offering simulation and expertise services to the marine industry and public partners.</p>	<ul style="list-style-type: none"> • Put forward the marketing plan. • Promotion of the simulator in communications with industry. • Implement administrative tools to standardize operations. 	<ul style="list-style-type: none"> • Creation of an internal multidisciplinary team to structure, supervise and promote the simulator's activities. • Work in progress for the deployment of the business plan and sending of proposals.



Strategic orientation No. 4: promote a resilient and interconnected corridor through collaborative and inclusive partnerships

Measures	Target expectations	Recent results
<p>Creation of forums and groups for collaboration on common issues</p> <p>Over the next five years, priority will be given to partnerships in the following areas: federal regulations, coherent management of growing traffic, demographic challenges and workforce needs, role of technology, environment and sustainability.</p>	<ul style="list-style-type: none"> Active participation in regional, national and international forums addressing priority issues, particularly for the implementation of smart shipping corridors. Review the governance of a smart shipping corridor approach with federal entities and other key partners. Identification of relevant research partners, particularly for a study on the impacts/risks linked to climate change on navigation and pilotage services on the St. Lawrence River during 2025. 	<ul style="list-style-type: none"> International collaboration established in 2023 as a member of an advisory council. Ongoing update of the navigation cooperation agreement between TC, the Canadian Coast Guard, the Port Authorities and the LPA. Collaboration with the Canadian Marine Careers Foundation to examine issues related to the workforce within the marine industry.
<p>Deployment of a strategy for engaging indigenous communities in relation to the LPA</p> <p>This work will aim to address systemic disparities through partnerships and collaboration. Steps will also be taken to consult with indigenous communities and organizations and, where appropriate, integrate their perspectives into the LPA's planning and operations.</p>	<ul style="list-style-type: none"> Development of an engagement plan during 2025 (approach, training, partnership commitments and consultation). Begin deployment of the engagement strategy by Q3 2025 (including Indigenous awareness training for members of the Board and management). 	<ul style="list-style-type: none"> Engagement with the Innu Essipit community as part of the start of operations of a new pilot boat (the Shipek^u).



Strategic orientation No. 5: develop a high-performance collaborative culture and strengthen organizational capabilities

Measures	Target expectations	Recent results
<p>Deployment of a master talent and communications plan</p> <p>The HR strategic plan was reviewed in 2024, and a 2024 – 2027 talent strategy was deployed.</p> <p>Over the next few years, the four major levers of the talent strategy are:</p> <ul style="list-style-type: none"> • Offer a distinctive employee experience that places humans at the heart of our decisions. • Promote and deploy a healthy organizational culture that strengthens inclusion, performance, collaboration and innovation. • Cultivate expertise and know-how within our passionate team. • Co-create the future in a changing world that integrates technologies and continuous improvement. <p>The LPA aligns with government-wide efforts in its fight against racism and its initiatives to strengthen equity, inclusion and diversity in the Canadian public service.</p>	<ul style="list-style-type: none"> • Offer a distinctive employee experience at all stages of the employee lifecycle (attraction, integration, development, mobilization, retention). • Focus on the well-being of employees and teams (overall health including mental health). • Promote and deploy a healthy, inclusive, collaborative and innovative culture. • Have a strategic approach to talent and succession management. • Modernize and computerize the HR department. • Develop cross-functional skills in change management. • Carry out an annual workforce planning exercise and identification of emerging skills. 	<ul style="list-style-type: none"> • Review of the salary structure and compensation policy. • Implementation of the pay equity plan. • Maintaining its status as an employer of choice for 2023 and 2024, attesting to its commitment to maintaining high standards in HR practices. • Conclusion of a memorandum of understanding with TC and the School of Public Service to extend access to the training platform to LPA employees.

Strategic orientation No. 6: ensure a financial balance between fair charges and sound management

Measures	Target expectations	Recent results
<p>Implementation of a revised and fair billing process</p> <p>The process by which the LPA calculates the various charges to clients dates back more than 50 years, while the type of ships, their size and technology have evolved enormously. The LPA is therefore continuing an in-depth analysis of its billing system to determine whether this approach remains relevant or whether changes should be made to offer fairer pilotage charges to its clients.</p>	<ul style="list-style-type: none"> Assessment of avenues for optimization Cost benefits analysis of possible scenarios during 2025/2026 	<ul style="list-style-type: none"> Analysis of the current situation
<p>Maintaining an adequate financial reserve</p> <p>A balanced financial reserve is an important element of sound financial management to ensure the sustainability of the assets and services of the LPA.</p>	<ul style="list-style-type: none"> Develop a targeted plan to rebuild and maintain the reserve at an adequate level in the short and medium term (in progress). Inclusion of new key elements such as a green fund to support the implementation of the LPA's sustainable development plan (see Strategic orientation No. 2 for more details regarding the SD plan). 	<ul style="list-style-type: none"> Analysis and development of the financial approach in progress.

4.2 / RISKS

The LPA uses a corporate risk management framework to ensure that risks are properly identified, measured, controlled and monitored on a regular basis.

In general, the Authority is mainly exposed to six categories of risk:

- Operational risks relate to a possible service outage resulting directly or indirectly from processes, resources, internal systems inadequacy or failure, or external events.



Operational risks can also stem from non-compliance with regulatory or legal requirements, or a commercial dispute.

- Information technology-related risks relate to the risks of access loss to mission-critical IT systems or data loss or theft.
- Financial risks relate to the risks of financial or profitability loss following a specific event. They can stem from a service outage, a significant market disruption, non-payment by a client, an incident resulting in physical or material damage or as part of the energy transition.
- Environmental liability risks relate to how environmental sustainability is integrated into the Authority's activities. These include risks related to climate change and the energy transition as well as risks of contamination caused after a marine accident or incident.
- Occupational health and safety risks make it possible to anticipate the consequences of an accident, analyze at-risk situations, and determine the likelihood of occurrence. Preventive or mitigation measures allow risks to be reduced or eliminated. For higher risks, a job safety analysis (JSA) may be carried out by segmenting every level of a task and identifying appropriate protection or mitigation measures at critical points.
- Lastly, with regards to reputational risks, the LPA focuses its mitigation strategy on effective communication with clients and partners, the creation of stable business relationships, and proactive management. These activities convey an image of a reliable and responsible organization and ensure that proper lines of communication are available in the event of a reputational risk.

Details of the key risks identified, including their risk level, impacts and mitigation measures, can be found in Appendix 7/Risks and Related Mitigation Measures of this document.

5.0 / FINANCIAL OVERVIEW

5.1 / FINANCIAL MANAGEMENT OF THE LPA

The LPA is a financially self-sufficient Crown corporation striving to remain financially self-sufficient by the application of sound management practices. The financial plan takes into consideration the LPA's future developments, including asset maintenance, the realization of its strategic plan and implementation of services over which the LPA has control. Implementation of services resulting from future decisions by TC or the Governor-in-council are not included.

The LPA is committed in maintaining a sound financial situation through good management practices and stringent control measures, by setting fair and reasonable pilotage charges, and by practising sound risk management.



Loans

The LPA currently has a debt-free balance sheet. The financial measures set out in this Corporate Plan aim to maintain this position, and to ensure that the LPA does not need to take on any debt to carry out its plan. At the same time, the LPA is aware of the scale of investments that may be required over the next few years to achieve its strategic objectives, as well as the uncontrollable risks, inherent in this economy, particularly in a post-pandemic inflationary context.

Access to a line of credit

The LPA has a line of credit in the form of an authorized bank overdraft not exceeding \$1.5 million. The LPA does not plan to use this line of credit for the 2024 fiscal year or the 2025 fiscal year. The LPA requests that the Minister allow it to renew this line of credit for the period of the Corporate Plan.

Earnings management and investment framework

The *Pilotage Act* requires the LPA to manage its operations to preserve its financial autonomy. Its activities must enable it to provide for a reasonable financial reserve necessary to, among other things, replace its assets.

According to section 37 of the *Pilotage Act*, "An Authority may, with the approval of the Minister of Finance, invest any moneys not immediately required for the purposes of the Authority in any class of financial asset."

The LPA therefore requests permission from the Minister of Finance to invest monies not immediately required in one of the following instruments:

1. Bonds issued or guaranteed by His Majesty in right of Canada, by a province or a Canadian municipality;
2. Fixed income securities with a minimum BBB rating from Standard & Poor's or Fitch Ratings, or a Baa3 rating from Moody's;
3. Diversified funds compliant with points 1 or 2 above, including exchange traded funds but excluding leveraged funds;
4. Guaranteed investment certificates eligible for Canada Deposit Insurance Corporation insurance.



5.2 / FINANCIAL PERFORMANCE FOR 2022 TO 2024

Revenues

	2022	2023	2024	
Tariff increases for districts 1, 1.1 & 2-->	3% & 3%	5% & 7.5%	4% & 6%	
	Actual	Actual		Forecast
	\$	\$	% variation	\$ % variation
Pilotage charges	94,248	99,629	6%	102,275 3%
Pilot boat revenue	13,692	15,311	12%	14,706 -4%
Other revenues	237	374	58%	788 111%
Revenues	108,177	115,314	7%	117,769 2%

Pilotage charges

Pilotage charges are billed to clients based on the duration of the trips, the size of the ship, the tariff length and other criteria defined in the document "Details and principles - proposed revision of pilotage charges" of the LPA. The revenues related to pilotage charges are therefore composed of the volume billed and the charges established at the beginning of the year.

The positive variations achieved in 2023 and forecasted for 2024 are directly linked to the increase in charges, the variation in traffic having remained relatively stable in 2023 and slightly downward in 2024.

Pilot boat revenue

Revenues related to pilot boarding services at the Montreal, Sorel, Trois-Rivières and Quebec stations are directly related to the costs of the various service contracts increased by a rate of 4.8% to recover administrative costs. Revenues related to pilot boarding services at Les Escoumins station are determined based on the planned expenses to provide those services.

The 2023 increase is related to the increase in charges combined with a greater number of pilot transfers. The 2024 decrease is related to the increase in charges combined with a lower number of planned transfers.

Other revenues

Other revenues mainly consist of interest income from cash flow and the rental of a pilot boat. Fluctuations are directly related to market conditions.



Direct expenses

	2022		2023		2024	
Contractual increases for districts 1, 1.1 & 2-->	2% & 3.8%		4.2% & 6.7%		3.7% & 4.5%	
	Actual		Actual		Forecast	
	\$		\$	% variation	\$	% variation
Pilot fees	84,079		88,385	5%	90,869	3%
Pilot boat services	12,053		13,394	11%	12,299	-8%
Direct expenses	96,132		101,779	6%	103,168	1%
Gross margin	12,045		13,535		14,601	
	11%		12%		12%	

Pilot fees

Pilot fees are calculated based on service contracts signed between the LPA and each of the pilot corporations. These fees are calculated based on traffic and closely linked to the charges invoiced.

Pilot and apprentice pilot training costs, communication costs, expenses related to portable piloting units ("PPU") as well as costs related to examination boards are also included in this category of expenses.

The increases made in 2023 and planned for 2024 are directly linked to the increase in prices set in the agreements negotiated with suppliers, the variation in traffic having remained relatively stable in 2023 and having slightly decreased in 2024.

Pilot board services

The costs related to pilot boarding services at stations not operated by the LPA are established according to the current contracts with the various entities of the Ocean Group, located in Montreal, Sorel, Trois-Rivières and Quebec City. These contracts, which were the subject of a call for tenders in 2021 and 2022, became effective on January 1, 2024, for a period of 5 years.

These costs also include the expenses for pilot boarding services carried out by the LPA at its Les Escoumins station and the operating costs of a shuttle at the Port of Montreal to facilitate and optimize the transfer of pilots.

The 2023 increase is related to the increase in prices combined with a greater number of pilot transfers. The 2024 decrease is related to the increase in prices combined with a lower number of planned transfers.

Gross margin

The objective of the LPA is to maintain a sufficient margin to cover the compensation of its employees and its fixed costs in order to achieve financial balance.



Administrative and operational expenses

	2022	2023		2024	
	Actual	Actual		Forecast	
	\$	\$	% variation	\$	% variation
Employee salaries and benefits - others	6,592	6,754	2%	7,330	9%
Depreciation and amortization	1,660	2,301	39%	2,765	20%
Professional and special services	1,278	1,911	50%	1,288	-33%
Other charges	1,889	2,075	10%	2,465	19%
Administrative and operational expenses	11,419	13,041	14%	13,848	6%
Overall result	626	494		753	

Employee salaries and benefits - Others

Salaries include the total compensation offered to employees. These employees are part of different teams at the LPA head office in Montreal, at the pilot station located in Les Escoumins as well as on the Ville-Marie shuttle serving the Port of Montreal.

In 2023, salary increases were 2% for unionized employees and 3.8% for non-unionized employees and several vacant positions were filled by professional fees. In 2024, salary increases were 5% for unionized employees and 3.7% for non-unionized employees. Several vacant positions from 2023 were filled.

Professional and special services

These costs include services related to risk analysis, renewal of service agreements, implementation of the business plan strategy, internal audit fees and that of various professionals who filled short-term vacancies.

Depreciation and amortization

The depreciation and amortization expenses are directly related to the level of investment. In 2023, the LPA invested \$4.5M in its assets, \$2.9M related for its PPU's and \$1.6M for the construction of the Shipek^u (i.e., the sea, the ocean, in the Innu language) delivered in the spring of 2023.

Overall result

For a second consecutive year since the pandemic, the LPA has had a positive overall result. The overall result for 2023 was \$494,000 compared to \$626,000 in 2022.



5.3/FINANCIAL FORECAST FOR 2025 TO 2029

Revenues

	2024		2025		2026		2027		2028		2029	
	4% & 6%		3.5% & 5%		3% & 3.5%		3.5% & 5%		3% & 3%		3% & 3%	
	Forecast	Budget	Plan	Plan	Plan	Plan	Plan	Plan	Plan	Plan	Plan	Plan
	\$	\$ % var.	\$ % var.	\$ % var.	\$ % var.	\$ % var.	\$ % var.	\$ % var.				
Tariff increases for districts 1, 1.1 & 2 -->												
Pilotage charges	102,275	106,435 4%	109,829 3%	113,332 3%	116,732 3%	120,234 3%						
Pilot boat revenue	14,706	15,287 4%	15,769 3%	16,267 3%	16,754 3%	17,257 3%						
Other revenues	788	1,078 37%	1,106 3%	1,135 3%	1,163 2%	1,191 2%						
Revenues	117,769	122,800 4%	126,704 3%	130,734 3%	134,649 3%	138,682 3%						

Pilotage charges

Charges were projected based on anticipated traffic growth, according to the LPA's estimates. In the current inflationary context leading to an economic slowdown, combined with a risk of recession, the LPA believes that traffic will be similar to that of 2024 for 2025 and the years to come.

Charges increases are therefore exclusively related to the tariff increases anticipated for each year.

Pilot boat revenue

The LPA projects that the number of pilot transfers from 2025 to 2029 will be stable and the increases in pilot boat revenues will be exclusively linked to the increases in tariffs planned for each year.

Other revenues

The Authority expects market conditions to be similar in 2024 and thus predicts an increase of 3% for each of the next years.



Direct expenses

Contractual increases for districts 1, 1.1 & 2 -->	2024		2025		2026		2027		2028		2029	
	3.7% & 4.5%		3.3% & 3%		3% & 3%		3% & 3%		3% & 3%		3% & 3%	
	Forecast	Budget		Plan		Plan		Plan		Plan		
	\$	\$	% var.	\$	% var.	\$	% var.	\$	% var.	\$	% var.	
Pilot fees	90,869	93,789	3%	96,603	3%	99,501	3%	102,486	3%	105,561	3%	
Pilot boat services	12,299	13,428	9%	13,800	3%	14,184	3%	14,578	3%	14,983	3%	
Direct expenses	103,168	107,217	4%	110,403	3%	113,685	3%	117,064	3%	120,544	3%	
Gross margin	14,601	15,583		16,301		17,049		17,585		18,138		
	12%	13%		13%		13%		13%		13%		

Pilot fees

Pilot fees are calculated based on service contracts signed between the LPA and each of the pilot corporations.

As with charges, the LPA estimates that the volume will be stable for the coming years and the increases are linked to the expected increase in contract costs.

Pilot boat services

The costs related to the pilot boarding services at stations not operated by the LPA are established according to the current contracts with the various entities of the Ocean Group, located in Montreal, Sorel, Trois-Rivières and Quebec City.

For pilot boarding costs carried out by the LPA at Les Escoumins station and the operating costs of the shuttle at the Port of Montreal, the projected salaries were determined under the terms of existing collective agreements. For years not covered by the agreements, the salaries take into account an estimate of the increase in the consumer price index (CPI).

Gross margin

The objective of the LPA is to maintain a sufficient margin to cover the compensation of its employees and its fixed costs in order to achieve financial balance.



Administrative and operational expenses

	2024		2025		2026		2027		2028		2029	
	Forecast		Budget		Plan		Plan		Plan		Plan	
	\$		\$	% var.								
Employee salaries and benefits - others	7,330		8,196	12%	8,452	3%	8,698	3%	8,958	3%	9,224	3%
Depreciation and amortization	2,765		2,683	-3%	2,737	2%	2,791	2%	2,847	2%	2,904	2%
Professional and special services	1,288		1,174	-9%	1,095	-7%	1,117	2%	1,239	11%	1,162	-6%
Other charges	2,465		2,529	3%	2,536	0%	2,596	2%	2,659	2%	2,725	2%
Administrative and operational expenses	13,848		14,582	5%	14,820	2%	15,202	3%	15,703	3%	16,015	2%
Overall result	753		1,001		1,481		1,847		1,882		2,123	

Employee salaries and benefits - Others

For 2025 to 2029, salary increases of around 3% are planned as well as the addition of three (3) positions.

Professional and special services

Professional and special services vary depending on different corporate activities. For example, further negotiations with pilot corporations could take place between 2025 and 2028, in addition to negotiations already underway in 2024.

Depreciation and amortization

The depreciation and amortization expenses are directly related to the level of investment.

Overall result

Following 2020 and 2021, the LPA wants to replenish its financial reserve to ensure continued operations, as well as to carry out the activities presented in this Corporate Plan. The LPA's long-term vision is to continue its efforts to optimize its resources and improve its services for its client and the marine industry.



5.4/INVESTMENT BUDGET

Investment budget

Over the years 2025 to 2029, the LPA is planning to make certain investments to ensure the sustainability of its assets, to optimize its service offering and to meet its contractual commitments. All these needs are directly linked to the provision of safe and efficient services.

Portable pilot units (PPU)

As part of their work, pilots use PPUs that give them access to various information about the ship and the trip in progress. The LPA provides these PPUs to CMSLP pilots, while a financial contribution is paid to CLSLP for it to obtain the PPUs for its pilots.

Optimized pilotage service and simulator

As previously mentioned, the LPA is developing a transit calculator system that will make it possible for clients to optimize ship transits on the St. Lawrence River and improve the fluidity and safety of trips along the Les Escoumins - Montreal section. Development of this system is expected to continue until 2025, and further investment may be required to improve the product.

In addition, certain investments will be required to keep the navigation simulator on the cutting edge of technology.

Pilot boats and shuttle

To ensure efficient pilot boarding operations, the LPA owns ships that it must take care of. The LPA continues to invest in these assets to maintain and improve its service offering.

IT infrastructure

The LPA operates in a context in which the resilience of IT systems is important. This is why investments will be made over the next few years to maintain, improve, renew and optimize the LPA's IT network and underlying systems. Investments are also planned to maintain the security of all IT systems. New technologies enabling the LPA to optimize its global service offering will also be analyzed, and investments made accordingly.



Administration de pilotage
des Laurentides Laurentian
Pilotage Authority

CORPORATE PLAN SUMMARY 2025/2029

APPENDIX

APPENDIX 1 / GUIDANCE OR MANDATE LETTER FROM THE MINISTER



September 6, 2022

Julius Spivack
Interim Chair of the Board of Directors
Laurentian Pilotage Authority
syljulinc@gmail.com

Dear Julius Spivack:

As you know, following the 2021 general election, I had the honour of being reappointed as the Minister of Transport. My priorities have been outlined in the mandate letter the Prime Minister shared with me in December 2021, and today I write to you to set out my expectations as to how the Laurentian Pilotage Authority (LPA) will help advance these priorities.

As the Minister accountable to Parliament for the LPA, I am committed to continuing our productive relationship to ensure that Canada's transportation system is safe, secure, efficient, and environmentally responsible. I recognise that the LPA experienced a significant drop in traffic in the wake of the COVID-19 pandemic. I appreciate LPA's efforts to pivot operations and continue to operate safely during this unprecedented time.

My priority upon my reappointment as the Minister of Transport was to enforce vaccination requirements across the federally regulated transportation sector. Thank you for the commitment you have demonstrated in developing and implementing your corporation's vaccination policy. Together, we mitigated the full impact of infection and severity of illness for travellers and workers in the transportation sector, and increased vaccine uptake, providing broader societal protection. As the COVID situation unfolds, we continue to adjust our measures accordingly, as we've done in June of this year. I appreciate the corporation's ongoing collaboration as our response to COVID-19 continues to evolve as we learn more about this virus.

Ensuring goods and people can move efficiently throughout our country with robust and reliable supply chains and transportation systems is another key priority further reiterated in Budget 2022. The LPA is an important link in Canada's supply chain, and I trust that the corporation will strive to reduce and prevent bottlenecks in Canada's transportation network. I encourage you to work with my officials to ensure the LPA continues to be prepared to proactively mitigate and respond to emerging incidents and hazards, including cyber security threats.



- 2 -

Fighting climate change is a cornerstone of the government's plan to rebuild the economy, create middle-class jobs, and ensure Canadian industry remains competitive. The *Canadian Net-Zero Emissions Accountability Act* has legislated Canada's efforts to achieve net-zero greenhouse gas emissions by the year 2050. I expect the LPA to seek opportunities to advance measures that support Canada's transition to net-zero, including accelerating the transition to zero-emission vehicles and considering targets related to this cause throughout your operations.

As part of the government's strategy to combat climate change, Budget 2021 announced that Canada's Crown corporations would demonstrate climate leadership by adopting the *Task Force on Climate-related Financial Disclosures* standards, or more rigorous and acceptable standards. I encourage the LPA to start reporting its climate-related financial risks by 2024.

Another pillar of the government's plan is to continue to address the profound systemic inequities and disparities that remain present in the core fabric of our society. I expect that the LPA will join us as we walk faster and farther along the road to reconciliation, particularly through meaningful partnership and collaboration with local Indigenous communities. This should include, but not be limited to, consulting Indigenous communities where appropriate and incorporating Indigenous perspectives into organizational operations and planning processes.

Diversity and equity within the LPA's workforce will improve its ability to deliver on all its objectives, and I expect that as the LPA embarks on any hiring, it implements outreach and recruitment strategies that uphold the principles of equity, diversity, and inclusion. I trust that the LPA will also continue to ensure that it is doing its part, per the *Accessible Canada Act*, to help make the transportation system more accessible for persons with disabilities.

I also remain committed to open, transparent, and merit-based selection processes to attract qualified candidates for governance and leadership positions in the Transport portfolio. Candidates should also reflect Canada's diversity in terms of linguistic, regional and employment equity groups (women, Indigenous peoples, persons with disabilities and members of visible minorities), as well as members of ethnic and cultural groups. As Chairperson, you will be invited to participate in these processes for your organization, which will inform my ultimate appointment recommendations to the Governor in Council.

I expect that your short-, medium-, and long-term objectives as they relate to the government's priorities in this letter are clearly presented in your upcoming corporate plans and progress to achieving those objectives is reported in your subsequent annual reports. I also ask for your support in ensuring that, to the extent that it is within the LPA's control, future corporate plans are prepared sufficiently in advance, with the best information available at the time, to enable timely review and approval.



- 3 -

It is critical that the performance objectives of the corporation, Board and CEO flow within a consistent storyline. I ask that the measures you develop to assess your CEO's performance conform to best practices concerning the development of specific, measurable objectives, based on the observable behaviours in areas where your CEO can exercise sufficient influence to achieve the desired outcomes. The rationale included for the overall rating of your CEO should clearly identify why your Board is providing the rating and which performance objectives were weighed most heavily when arriving at the determination.

As always, the legal, fiduciary, and ethical obligations of public office holders remain. All appointees should abide by the principles found in the Prime Minister's statement on Open and Accountable Government. All boards should ensure ongoing compliance, both for their organization and for themselves, with relevant legislation, Treasury Board policies, Governor in Council and ministerial directives.

It is an honour to serve Canadians as Minister of Transport and a privilege to be able to work with key partners such as the LPA.

Sincerely,

A handwritten signature in black ink, appearing to read "Omar Alghabra".

The Honourable Omar Alghabra, P.C., M.P.
Minister of Transport



APPENDIX 2 / CORPORATE GOVERNANCE STRUCTURE

Board of Directors

The Authority has a governance structure which allows for the discharge of its mandate while the Board of Directors also exercises proper authority.

In addition to its governance role, the Board is responsible for the Authority’s strategic planning, including its corporate plan, and overall stewardship. This includes monitoring the main risks incurred by the LPA, succession planning and the implementation of an information system that meets its needs.

Table – Board of Directors

The following table presents the composition of the Board of Directors as of September 2024, as well as additional information on the mandate of the directors. The Board is normally made up of seven members, namely a president, a vice-president and five directors. The Chairperson of the Board is appointed by the Governor in Council on the recommendation of the Minister of Transport whereas the other members of the Board are appointed by the Minister with the approval of the Governor in Council. There are currently four vacancies on the Board and TC has informed the LPA that processes are underway to appoint new members.

Name	Last appointment date	Expiration date of the term	Term length	Term
Marie-Claude Cardin (Chairperson)	August 28, 2024	August 27, 2029	5 years	First
George J. Pollack	September 7, 2018	October 27, 2026	3 years + 4 years	Second
Georges Farrah	June 21, 2024	June 20, 2028	4 years	First

The total compensation of Board members is subject to the actual number of committee meetings held during the year. For 2024, it should represent \$52,000.

In fulfilling its responsibilities, the Board has established two oversight committees composed of three of its members. Each committee meets several times per year.

Audit Committee

The Audit Committee is responsible for monitoring, analyzing, and supervising the Authority’s financial situation and management practices including but not limited to, financial controls and the efficient operation of its information systems. It is also mandated under the *Financial Administration Act* to ensure that internal audits are conducted and follow up on recommendations, if any. The Audit Committee maintains ties with the Office of the Auditor



General of Canada and reviews reports issued with respect to audits conducted. The Audit Committee also ensures that the auditor's recommendations, if applicable, are implemented by management. In 2023, the Committee met six times.

Governance and Human Resources Committee

The Governance and Human Resources Committee is responsible for reviewing the Authority's governance and human resources practices, policies, and procedures, and analyzing and adapting the personnel management strategy. The Committee members met five times in 2023.

Sustainable Development Committee

The Sustainable Development Committee is responsible for setting the LPA's strategic directions in sustainable development. The Committee encourages the inclusion of these directions into the Authority's policies and procedures, influences behaviour and monitors the organization in terms of environmental, social and governance (ESG) responsibility. The Committee members met three times in 2023.

Audit	Governance and HR	Sustainable development
Marie-Claude Cardin	Marie-Claude Cardin	Marie-Claude Cardin
George J. Pollack	George J. Pollack	George J. Pollack
Georges Farrah	Georges Farrah	Georges Farrah

Board of Directors Structure and Committees





Senior Management

The following individuals hold key leadership positions within the Authority. In a context where the position of Chief Finance and Administration Officer was vacant during the current financial year, the LPA retained the services of a consultant.

Name	Function
Marc-Yves Bertin	Chief Executive Officer
Anaïs de Lausnay	Chief Legal Officer and Corporate Secretary
Claudine Bishop	Chief Talent and Communications Officer
Julie Bédard	Chief Operating Officer, Marine Safety and Efficiency
Daniel Jodoin	Chief Innovation and Commercialization Officer
Antony Sebastiampillai	Chief Finance and Administration Officer

Total compensation for the above-mentioned executive officers will amount to approximately \$944 374 for 2024.

Annual Public Meeting

The LPA held its last in-person Annual Public Meeting on Mai 31, 2024. At this meeting, management joined the Board of Directors to present the financial results for the year ended December 31, 2023, in addition to the main activities conducted during the year.

APPENDIX 3 / EXPECTED RESULTS

Along with the indicators related to the strategic activities mentioned in Section 4, the Authority has adopted operational performance indicators, which are presented in the following table.

Objective	Target	2024 (6 months)	2023 (12 months)
Marine Safety and Efficiency			
Number of incidents/accidents – ships	0	2	13
% efficiency - ship incidents/accidents	> 99.90%	99.97%	99.92%
Number of incidents/accidents - pilot boats	0	0	1
Number of delays due to pilots	0	1	6
% efficiency – number of delays due to pilots	> 99.90%	99.99%	99.97%
Number of hours of delay due to pilots (in hours)	0h	0.58h	6h
Number of complaints	0	12	35
Finance			
Financial reserve (\$)	\$10.00 million	\$5.52 million	\$5.76 million
Average payment time (days)	< 45 days	29.6 days	31.3 days



Chief Executive Officer commitment

I, Marc-Yves Bertin, as Chief Executive Officer of the Laurentian Pilotage Authority, am accountable to the Board of Directors of the Laurentian Pilotage Authority for the implementation of the results described in this Corporate Plan and outlined in this Appendix. I confirm that this commitment is supported by the balanced use of all available and relevant performance measurement and evaluation information.

A handwritten signature in blue ink, appearing to read "M-Y Bertin".

Marc-Yves Bertin
Chief Executive Officer
November 18, 2024



APPENDIX 4 / DECLARATION BY THE CHIEF FINANCIAL OFFICER

In my capacity as Chief Financial Officer of the Laurentian Pilotage Authority and as the person responsible to the Board of Directors of the Laurentian Pilotage Authority through the Chief Executive Officer, I have reviewed the Corporate Plan and Budgets and the supporting information that, in my opinion, required review, and as of the date indicated below, I make the following representations as a result of my due diligence review:

- > The nature and scope of the financial and related information are reasonably described, and assumptions that have a material impact on the related financial requirements have been identified and are supported
- > The significant risks affecting financial requirements, the vulnerability of financial requirements to changes in key assumptions, and related risk mitigation strategies have been disclosed
- > The resource requirements have been communicated and are consistent with the assumptions presented, and cost-containment options have been examined
- > The financing has been identified and is sufficient to meet financial requirements for the expected duration of the Corporate Plan
- > The Corporate Plan and budgets, where applicable, comply with relevant financial management legislation and policies, and the necessary financial management authorizations are in place
- > The key financial controls necessary for the implementation of the proposed activities and the ongoing operation of the Crown corporation are in place

In my opinion, the financial information contained in this Corporate Plan and the corresponding budgets is generally sufficient to support decision-making.

A handwritten signature in blue ink, appearing to read "Antony Sebastianpillai".

Antony Sebastianpillai
Chief Finance and Administration Officer
November 25, 2024



APPENDIX 5 / 2025-2029 FINANCIAL STATEMENTS FORECAST AND BUDGET

Statement of Comprehensive Income

Actual 2023, forecast 2024 and 2025-2029 budget
(in thousands of \$CDN)

	Actual 2023	Forecast 2024	Budget 2025	Plan 2026	Plan 2027	Plan 2028	Plan 2029
Rate increases for districts 1, 1.1 & 2 →			3.5% & 5%	3% & 3.5%	3% & 3.5%	3% & 3%	3% & 3%
Income							
Pilotage charges	99,629	102,275	106,435	109,829	113,332	116,732	120,234
Pilot boat revenue	15,311	14,706	15,287	15,769	16,267	16,754	17,257
Other incomes	374	788	1,078	1,106	1,135	1,163	1,191
	115,314	117,769	122,800	126,704	130,734	134,649	138,682
Direct Expenses							
Pilot fees	88,385	90,869	93,789	96,603	99,501	102,486	105,561
Pilot boat service - Outsourced	10,376	9,396	10,116	10,419	10,732	11,054	11,385
Employee salaries and benefits - Pilot boarding services	1,915	2,003	2,335	2,382	2,429	2,478	2,528
Pilot boat and shuttle maintenance and operating costs	1,103	900	977	999	1,023	1,046	1,07
	101,779	103,168	107,217	110,403	113,685	117,064	120,544
Gross Profit	13,535	14,601	15,583	16,301	17,049	17,585	18,138
Administrative and Operating Expenses							
Employee salaries and benefits - Others	6,754	7,33	8,196	8,452	8,698	8,958	9,224
Depreciation and amortization	2,301	2,765	2,683	2,737	2,791	2,847	2,904
Professional and special services	1,911	1,288	1,174	1,095	1,117	1,239	1,162
Pilotage Act administration fees	781	890	1,013	1,043	1,074	1,107	1,14
Rental fees	386	411	403	411	420	428	437
Utilities, material and supplies	243	411	347	300	306	312	319
Transportation, travel and hospitalities	131	186	208	212	216	221	225
Maintenance	127	137	133	136	138	141	144
Communications	215	176	216	220	225	229	234
Finance charges	71	43	71	73	74	75	77
Other	121	211	138	141	143	146	149
	13,041	13,848	14,582	14,82	15,202	15,703	16,015
Comprehensive income	494	753	1,001	1,481	1,847	1,882	2,123



Statement of Financial Position

Actual 2022, forecast 2023 and 2024-2028 budget
(in thousands of \$CDN)

	Actual 2023	Forecast 2024	Budget 2025	Plan 2026	Plan 2027	Plan 2028	Plan 2029
Assets							
Current							
Cash and cash equivalents	5,767	7,585	10,388	12,424	15,584	16,671	20,179
Account receivables and other receivables	14,873	15,137	15,751	16,252	16,770	17,273	17,791
	20,640	22,722	26,139	28,676	32,353	33,944	37,970
Non-Current							
Property, equipment and intangible assets	24,324	23,134	21,201	20,414	18,873	19,476	17,872
Total Assets	44,964	45,856	47,340	49,090	51,226	53,420	55,842
Liabilities							
Current							
Accounts payable and accrued liabilities	16,256	16,567	17,244	17,729	18,247	18,797	19,334
Lease obligations	186	194	216	229	237	246	255
	16,442	16,761	17,460	17,958	18,484	19,043	19,589
Non-Current							
Employee benefits	436	450	450	450	450	450	450
Lease obligations	1,444	1,250	1,034	805	568	321	74
	1,880	1,700	1,484	1,255	1,018	771	524
Total Liabilities	18,322	18,461	18,944	19,213	19,502	19,814	20,113
Equity							
Retained earnings	26,642	27,395	28,396	29,877	31,724	33,606	35,729
TOTAL LIABILITIES AND EQUITY	44,964	45,856	47,340	49,090	51,226	53,420	55,842



Statement of Changes in Equity

Actual 2023, forecast 2024 and 2025-2029 budget
(in thousands of \$CDN)

	Actual 2023	Forecast 2024	Budget 2025	Plan 2026	Plan 2027	Plan 2028	Plan 2029
Retained Earnings, Beginning of the Year	26,148	26,642	27,395	28,396	29,877	31,724	33,606
Comprehensive Income for the Year	494	753	1,001	1,481	1,847	1,882	2,123
Retained Earnings, End of the Year	26,642	27,395	28,396	29,877	31,724	33,606	35,729



Statement of Cash Flows

Actual 2023, forecast 2024 and 2025-2029 budget
(in thousands of \$CDN)

	Actual 2023	Forecast 2024	Budget 2025	Plan 2026	Plan 2027	Plan 2028	Plan 2029
Operating Activities							
Comprehensive income for the period	494	753	1,001	1,481	1,847	1,882	2,123
Adjustment to determine net cash flows generated by (used for) operating activities							
Depreciation and amortissement	2,301	2,765	2,683	2,737	2,791	2,847	2,904
Interest on lease obligations	63	39	63	64	66	67	68
Changes in long-term portion of employee benefits	35	14	0	0	0	0	0
Interest Income	(304)	(311)	(311)	(318)	(324)	(330)	(337)
Changes in non-cash working capital items							
Changes in receivables	440	(264)	(613)	(502)	(518)	(503)	(518)
Changes in accounts payable and accrued liabilities	(472)	311	677	485	519	549	537
Cash flows from operating activities	2,557	3,306	3,500	3,948	4,381	4,512	4,777
Investing Activities							
Acquisition of property, equipment and intangible assets	(4,484)	(1,575)	(750)	(1,950)	(1,250)	(3,450)	(1,300)
Interest received	304	311	311	318	324	330	337
Cash flows from investing activities	(4,180)	(1,264)	(439)	(1,632)	(926)	(3,120)	(963)
Financing Activities							
Repayment of lease obligations	(180)	(186)	(194)	(216)	(229)	(238)	(238)
Interest paid on lease obligations	(63)	(39)	(63)	(64)	(66)	(67)	(68)
Cash flows from financing activities	(243)	(225)	(257)	(280)	(295)	(305)	(306)
Cash							
Change for the period	(1,866)	1,818	2,804	2,035	3,160	1,087	3,508
Balance, beginning of the year	7,633	5,767	7,585	10,388	12,424	15,584	16,671
Balance, end of the year	5,767	7,585	10,388	12,424	15,584	16,671	20,179



Capital Asset Acquisition and Capital Budget

Actual 2023, forecast 2024 and 2025-2029 budget
(in thousands of \$CDN)

	Actual 2023	Forecast 2024	Budget 2025	Plan 2026	Plan 2027	Plan 2028	Plan 2029
Pilot boats and Shuttle	1,559	320	-	250	500	500	500
OPS Optimized pilotage services	-	475	150	300	300	300	300
IT hardware and Pilot Portable Units (PPU)	2,884	670	200	1,000	150	2,350	200
Escoumins wharf	30	-	100	100	100	100	100
Other tangible assets	11	110	300	300	200	200	200
Total	4,484	1,575	750	1,950	1,250	3,450	1,300



APPENDIX 6 / BORROWING PLAN

Background

In accordance with Section 36 of the *Pilotage Act* as well as Section 127 (3) of the *Financial Administration Act*, the Authority is required to obtain approval from the Minister of Finance to borrow funds, including the terms and conditions thereof.

Accordingly, the LPA was authorized by the Minister of Finance to undertake short-term borrowing, up to \$1.5 million. This short-term borrowing is authorized by a chartered bank in the form of an overdraft credit facility. No changes have been requested in this Corporate Plan.

Notwithstanding the current financial reserve, LPA management wishes to maintain its borrowing authority to protect against the eventuality of a significant sum disbursement. The maturity of short-term investments that could be made could prevent such a disbursement, or an unexpected situation could require a larger unplanned disbursement. It should be noted that financial losses generated by the global pandemic, investment and maintenance projects, notably the dock repair at Les Escoumins and the new pilot boat, along with current inflation, have reduced the LPA's financial reserve. The Authority must also make significant cash outlays for the purchase of PPU's, tools that have become necessary to improve navigational efficiency and safety. The LPA will fund these acquisitions and other investments through its reserves but may also need the \$1.5 million bank overdraft.

Loans to be maintained

The Authority requires that the following credit facilities be continued:

	Short term
Type	Overdraft
Lender	Any financial institution in Canada that is a member of the Canadian Payments Association
Amount	\$1,500,000
Currency	Canadian dollars
Interest Rate	Prime
Term	One year maximum



Situation as of December 31st

For 2023, the Authority had no outstanding loans as of December 31. For 2024 and for the years included in this Plan, the LPA does not expect to require any long- or short-term loans, precluding an outstanding balance as of December 31.

Leases

The Authority does not expect to sign any new leases during the period covered by this Plan.

Contingent Liabilities

In the normal course of business, the Authority is subject to various claims and lawsuits. At the time of writing this Plan, the Authority is still the subject, as well as TC, of an application in the Superior Court filed by a former apprentice pilot and the legal proceedings are still ongoing.



APPENDIX 7 / RISKS AND RELATED MITIGATION MEASURES

Corporate risk management

The LPA uses a corporate risk management framework to ensure that risks are properly identified, measured, controlled and that adequate monitoring is carried out on a regular basis with the ultimate objectives of continuing to provide safe, effective and efficient pilotage services, maintaining its financial self-sufficiency and achieving its strategic objectives.

As mentioned above, the Authority is mainly exposed to 6 categories of risks, namely operational risk, information technology risk, financial risk, environmental liability risk, occupational health and safety risk and reputational risk.

Each category includes distinct risks assessed according to their probability of occurrence and the potential impact of the risk materializing. Various mitigation measures are then established to reduce the level of occurrence and/or the possible impact if the risk occurs, all with the aim of ensuring the maintenance of pilotage services on the St. Lawrence and Saguenay Rivers.

The LPA management conducted a comprehensive risk management exercise in 2021. This review identified the organization's main risks, the top ten of which are detailed below. These top ten risks are reviewed regularly by senior management and on a regular basis by the audit committee of the Board of Directors.

List of top ten risks

1. Failure to ensure safe navigation on all waters under the Authority's responsibility, including the North Shore, the South Shore and the Gulf of St. Lawrence.
2. Marine accident in the river channel due to pilot error or incorrect action by a pilot following an incident.
3. Impediments to navigation of any origin (natural, human, or mechanical).
4. Cybersecurity and major computer system failure.
5. Man overboard from LPA property (pilot boats, shuttles, docks).
6. Failure to apply safety measures during pilot boarding operations (pilot boat service provider and Les Escoumins).
7. Ability to attract and retain adequate resources to meet the Authority's needs.
8. Incident/accident involving LPA boats and facilities and affecting the life, human health or safety of its boats.
9. Ability to maintain self-financing in the event of materialization of a significant regulatory, contractual, environmental or other change or risk.



10. Lack of coordination when responding to crisis or major changes affecting navigation safety and/or the Authority's operations.

Risk	Probability	Inherent risk	Impacts	Mitigation strategy
<p>1. Failure to ensure safe navigation on all waters under the Authority's responsibility, including the North Shore, the South Shore and the Gulf of St. Lawrence</p>	Moderate	High	<p>The risk of incidents or accidents in waters under the Authority's jurisdiction where there are currently unregulated private pilotage activities could damage the reputation of the LPA and TC, and cause incidents, loss of public confidence, financial losses or pollute the environment.</p>	<p>Measures in place:</p> <ul style="list-style-type: none"> Discussions with stakeholders in the ports of the North Shore around the use of more efficient tools to promote navigation safety, including portable pilotage units (PPU) which provide various information on the ship and the trip. For the South Shore ports, phase 1 of the risk analysis completed. <p>Additional measures (in progress):</p> <ul style="list-style-type: none"> Collaborate with TC in the development of regulations that will govern pilotage activities on the North Shore (in progress and awaiting TC's decision). Engage local stakeholders in the implementation of a legislated pilotage system (awaiting TC's decision). For the South Shore ports: analyze the navigation risks and determine the best tools and practices to mitigate the identified risks (see Section 4 – Strategic orientation No. 1 for more details).
<p>2. Marine accident in the river channel due to pilot error or incorrect action by a pilot following an incident</p>	Moderate	High	<p>An incident or accident caused by an improper maneuvering could harm the LPA's reputation, cause financial losses, deaths or</p>	<p>Measures in place:</p> <ul style="list-style-type: none"> Initial pilot training program and continuing training. Crisis unit ready to be activated in the event of an emergency. <p>Additional measures (in progress):</p>



			pollute the environment.	<ul style="list-style-type: none"> • Work in prevention by strengthening the continuing training program for pilots including periodic review and practice of maneuvers on a simulator (in progress). • Collaboration with TC to set up an accident review process with the aim of improving and updating the continuing training program (planned for 2025, subject to progress in discussions with TC).
--	--	--	--------------------------	-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------

3. Impediments to navigation	Moderate	High	Whatever its origin, any obstruction to navigation in the compulsory pilotage area could affect the efficiency, fluidity and quality of pilotage services. This could have negative impacts on the economy and communities.	<p>Measures in place:</p> <ul style="list-style-type: none"> • Marine traffic management to avoid congestion or accumulation of ships at anchorages or mooring points. • Crisis unit ready to be constituted in the event of an emergency. <p>Additional measures (in progress):</p> <ul style="list-style-type: none"> • Internally map potential sources of impediments to navigation and their impacts on pilotage services by the end of 2025. • Develop, communicate and exercise a business continuity plan in relation to each of the potential sources of impediments identified internally. • Frequent updating of contact person lists (continuous). • Crisis management training adapted for each work team.
------------------------------	----------	------	-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------	---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------

4. Cybersecurity and major computer system failure	Moderate	High	A major computer system failure or cyberattack could adversely affect the LPA's operations. Pilotage activities	<p>Measures in place:</p> <ul style="list-style-type: none"> • Full backup site, off-site backup of the most important systems, prevention and detection tools, redundancy of the most critical systems, etc.
----------------------------------------------------	----------	------	-----------------------------------------------------------------------------------------------------------------	-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------



			would be slowed down or halted, causing damage to the Authority's reputation and financial losses. Legal action could also ensue.	<ul style="list-style-type: none"> Continuous training program for employees in cybersecurity. An external incident management and response service (24/7). <p>Additional measures (in progress):</p> <ul style="list-style-type: none"> Implementation of an IT continuity and incident recovery plan and review of documentation Q2 2025 Implementation of security patches and annual intrusion tests.
--	--	--	-----------------------------------------------------------------------------------------------------------------------------------	------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------

5. Man overboard from LPA property (pilot boats, shuttles, docks)	High	High	An accident on one of the LPA's docks or boats could result in serious or fatal injuries. This situation would affect the LPA's reputation and could lead to lawsuits with high financial impact.	<p>Measures in place:</p> <ul style="list-style-type: none"> Warning signs, safety ladders, fencing for docks where boats are berthed and first aid training for the staff of Les Escoumins pilot station. Crisis unit ready to be activated in the event of an emergency. <p>Additional measures (in progress):</p> <ul style="list-style-type: none"> Maintain our pilot boat audit program to verify equipment compliance and up-to-date crew training (continuous). Strengthening the training plan for pilot boat crews (in progress, finalization planned by Q2 2025).
-------------------------------------------------------------------	------	------	---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------	--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------

6. Failure to apply safety measures during pilot boarding operations (pilot boat service provider and Les Escoumins)	High	Very high	An incident/accident affecting the safety of pilots or ships during pilot transfer could have an impact on the LPA's reputation. This could lead to workplace accidents resulting in serious or fatal injuries. In addition, it could	<p>Measures in place:</p> <ul style="list-style-type: none"> Use on the ship of compliant and properly installed ladders Positioning of the pilot boat according to the pilot's request and navigation conditions. Pilot's bag secured with rope. Written procedures with associated safety rules. <p>Additional measures (in progress):</p>
----------------------------------------------------------------------------------------------------------------------	------	-----------	---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------	---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------



			<p>result in financial impacts arising from prosecution or repair of ships. Finally, the quality and continuity of service may also be affected.</p>	<ul style="list-style-type: none"> Update practices and procedures for safety measures during pilot boarding operations (in progress). Include these practices and procedures in the continuing training program, including an annual documented practical exercise under the supervision of the LPA's marine safety director (finalization planned for 2025). Monitor supplier practices to ensure compliance with Authority and regulatory requirements.
--	--	--	------------------------------------------------------------------------------------------------------------------------------------------------------	---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------

<p>7. Ability to attract and retain adequate resources to meet the Authority's needs</p>	Moderate	Moderate	<p>The difficulty in recruiting captains, engineers, sailors and dispatchers may compromise the quality of the service offered by the Authority as well as the safety of pilot transfers. This could damage the LPA's reputation and lead to financial consequences. This recruitment challenge may also extend to LPA's personnel responsible for assigning pilots to ships, with similar risks for service sustainability.</p>	<p>Measures in place:</p> <ul style="list-style-type: none"> The Authority has implemented a recruitment and training process to ensure that there are enough trained employees to meet succession and replacement needs. The collective agreements in force contain clauses relating to the management of working hours and absences, thus assisting in attracting and retaining employees. The LPA recently completed the exercise of reviewing the salary scales for non-unionized employees and managers. This exercise will be reviewed on a regular basis (ongoing). <p>Additional measures (in progress):</p> <ul style="list-style-type: none"> Develop a recruitment process and implement favourable working conditions adapted to Les Escoumins region (especially for pilot boat crews owned by the LPA). For the dispatch team: Establish favourable working conditions to attract and retain key employees
------------------------------------------------------------------------------------------	----------	----------	----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------	-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------



				<p>and ensure that these conditions are maintained.</p> <ul style="list-style-type: none"> • Develop a succession plan.
--	--	--	--	----------------------------------------------------------------------------------------------------------------------------------------

<p>8. Incident and accident involving LPA boats and facilities and affecting the life, human health or safety of its boats</p>	Moderate	High	<p>Man overboard, serious injury or mechanical breakdown of one of the LPA's boats causing an accident/incident ; several events can occur on a boat with potentially high impacts that can affect the LPA's reputation, cause financial losses and diminish its ability to maintain service.</p>	<p>Measures in place:</p> <ul style="list-style-type: none"> • Periodic training and rigorous drills for onboard personnel, safety guidelines and preventive maintenance of equipment • Crisis unit ready to be activated in the event of an emergency. <p>Additional measures (in progress):</p> <ul style="list-style-type: none"> • Additional measures identified under risks 5 and 6 apply.
---------------------------------------------------------------------------------------------------------------------------------------	----------	------	---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------	-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------

<p>9. Ability to maintain self-financing in the event of materialization of a significant regulatory, contractual, environmental change or risk</p>	Moderate	Moderate	<p>In the event of financial incapacity, the ongoing provision of safe and efficient pilotage services could be affected. The Authority could also have difficulty achieving its short-medium- and long-term objectives. Such a situation may lead to imbalances between the increase in pilotage charges and fee rates and, as a result, have an impact on the Authority's financial viability.</p>	<p>Measures in place:</p> <ul style="list-style-type: none"> • Cost control and quarterly review by the Authority. • Adequate and reasonable pilotage charges established based on the financial situation, traffic projections, and external assumptions affecting costs in general. • Consistent budget planning process to maintain financial health, including the financial reserve (in progress). <p>Additional measures (in progress):</p> <ul style="list-style-type: none"> • Strengthen the effective pilotage charge planning strategy to maintain a reasonable charge scale for clients while maintaining the LPA's financial self-sufficiency.
------------------------------------------------------------------------------------------------------------------------------------------------------------	----------	----------	------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------	---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------



<p>10. Lack of coordination when responding to crisis or major changes affecting navigation safety and/or the Authority's operations</p>	<p>High</p>	<p>High</p>	<p>In the event of a crisis, the coordination and definition of roles are crucial. Failure to do so can affect the safety, effectiveness and efficiency of navigation. The consequences can be both operational and financial.</p>	<p>Measures in place:</p> <ul style="list-style-type: none"> • Internal expertise, both at the operational level and in terms of crisis intervention and coordination. • Internal knowledge of external stakeholders required based on the current situation. <p>Additional measure under development</p> <ul style="list-style-type: none"> • Continuous positioning of the LPA as a key player alongside other stakeholders in a context of crisis management and business recovery.
-------------------------------------------------------------------------------------------------------------------------------------------------	-------------	-------------	------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------	---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------



APPENDIX 8 / COMPLIANCE WITH LEGISLATION AND POLICY REQUIREMENTS

Access to Information and Privacy Act

To ensure clear and transparent governance, the LPA provides statutory annual reports and statistical reports to the Treasury Board Secretariat concerning access to information requests and any other questions concerning the protection of personal information. In 2023, the Authority received one request under the *Access to Information Act* and one request under the *Privacy Act*.

Official Languages Act

The LPA ensures that public communications are available in both official languages. Data from the Official Languages Information System concerning the LPA is communicated annually to the Treasury Board Secretariat. Over the past year, the Authority has not received any complaints.

Travel, Hospitality, Conference and Event Expenditures Directive

The LPA's internal policies on travel, hospitality, conferences, and event expenditures have been harmonized under the Treasury Board's Guideline on Travel, Hospitality, Conference and Event Expenditures. Approved information is then disclosed on the LPA's website within 30 days following the end of each quarter.

Canada Pension Plan Act

The LPA pension plan, which is a contributory defined benefit plan sponsored by the Government of Canada, complies with the *Canada Pension Plan Act*.

Trade Agreements

As a Crown corporation, the LPA must negotiate supplier contracts, where applicable, through a competitive bidding process in accordance with relevant legislation, regulations, agreements, international conventions, and internal policies, and then according to a competitive bidding process. The Authority follows a procurement process which includes public calls for tenders respecting the thresholds established in the various commercial agreements.

Other

The LPA has implemented several internal policies to ensure compliance with its values (see the Annual Report, available online, for more information) and reflecting its commitment to and compliance with applicable laws and directives. These include:

- > *Pilotage Act*
- > *Financial Administration Act*



- > Canada Labour Code
- > *Public Servants Disclosure Protection Act*
- > *Access to Information Act*
- > *Privacy Act*
- > *Canadian Shipping Act, 2001*
- > *Canadian Human Rights Act*
- > *Employment Equity Act*
- > *Conflict of Interest Act*
- > *Fighting Against Forced Labour and Child Labour in Supply Chains Act*

For further details, please consult the annual report available online.



APPENDIX 9/GOVERNMENT PRIORITIES AND DIRECTIONS

As a Crown corporation, the Authority endorses and supports government priorities and initiatives. The following actions and measures have thus been put forward to harmonize management practices with the stated priorities:

National supply chain strategy

Under the *Pilotage Act*, the LPA is responsible for operating, maintaining and managing compulsory pilotage in the St. Lawrence and Saguenay trade corridor, with the goal of ensuring a safe, efficient, cost-effective and technology-based service. In doing so, the LPA is a key player for a sustainable marine transportation system that connects 40 million Canadians and Americans to global markets through the St. Lawrence and Saguenay ports and serves a vital economic connection for Newfoundland and Labrador and Canada's Arctic communities. The Authority is fully aware of its key role in the established supply chain in this maritime corridor. The development of the optimized pilotage system to maximize the fluidity of ship transits using real-time data is a good example of the LPA's commitment to the resilience, competitiveness and efficiency of Canadian supply chains.

The Authority is also working with National Research Council Canada and TC to explore new service models that could, in the medium term, improve navigation safety, the efficiency of the LPA, and the competitiveness of the St. Lawrence/Saguenay trade corridor within North America.

The Authority also continues to strengthen its defences against cybersecurity risks by implementing security patches and updating the business continuity plan.

Budget 2023 – Government of Canada

In 2024, the LPA was able to meet reduction targets outlined in its previous corporate plan pursuant to the 2023 federal budget, notably in relation to consulting services (professional and special services). As part of its budget for 2025, the Authority will maintain efforts to advance the government's reduction objectives. The cyclical nature of contract negotiations with service providers that will occur in 2025, new efforts to achieve administrative and operational efficiencies through technological solutions, and a potential government decision to expand pilotage services to new regions along the North Shore will have a bearing on the pursuit of this objective. In sum, as an enterprise Crown corporation, the LPA will remain aligned with the spirit and intent of the government's objectives, while remaining attentive to evolving circumstances affecting the delivery of its mandate.

Transparency and open government

The LPA publishes its public reports on its website within the prescribed deadlines, including its annual and quarterly reports, overviews of its corporate plans, proactive disclosure notices and requests for information related to the *Access to Information Act* on the open government site.



In addition, the Authority strives to maintain a close relationship with its clients, partners and stakeholders through discussions, working groups and industry events that promote transparency and constructive collaboration.

Diversity and employment equity, accessibility

Women account for a little more than 30% of the LPA's employees. This figure, although stable in recent years, has slightly increased this year despite the challenge that the traditionally male environment of the marine industry represents for female personnel. It should be noted that in early 2024, a first female captain joined the LPA's navigation crew at the helm of the Port of Montreal shuttle. Moreover, the LPA achieved gender parity at the senior management level for the current fiscal year.

As mentioned above, in July 2024, the LPA completed its pay equity plan under the federal *Pay Equity Act*. Over the next few years, the LPA will ensure that it carries out pay equity maintenance exercises and monitors trends and best practices in terms of overall compensation.

- > Raising awareness among managers and engaging in recruitment practices that limit conscious and unconscious bias as much as possible;
- > Hiring of female personnel in functions largely represented by men, i.e., three female executives as well as a female captain in the management team.

The LPA is identifying relevant strategies to meet its diversity objectives and takes the right actions to increase the social and cultural diversity of the organization. To achieve this, actions are underway to implement the following objectives:

- > Recruitment and career progression practices that limit conscious and unconscious bias as much as possible;
- > Job postings that state the LPA's commitment to diversity and inclusion;
- > Employee participation in identifying inclusion-related initiatives to be developed.

As of December 31, 2023, the LPA published a progress report on the deployment of its 2022-2025 accessibility plan under the *Accessible Canada Act*. In particular, the LPA plans to finalize its work plan to conduct an accessibility assessment within the offices of its headquarters to eliminate barriers for persons with disabilities during the 2024-2025 fiscal year. For more information, please consult the progress report, available on the website at <https://www.pilotagestlaurent.gc.ca/en/financial-reports.html>, under "Others".

Reconciliation with indigenous communities

The Authority is aware of the importance of engaging in an informed and constructive dialogue with indigenous communities interested in or affected by its activities, including:

- > Awareness training for the Board of Directors and senior management to ensure a solid understanding of indigenous realities, in a legislative, historical and social context. Awareness activities will also be extended to all employees.



- > Development and deployment of an engagement and partnership strategy with indigenous communities along the St. Lawrence and Saguenay Rivers. See Section 4 – Strategic orientation No. 3 for more details.

Sustainable development and greening operations

Over the past twelve months, the Authority has strengthened its commitment through the adoption of its first sustainable development policy, the establishment of an internal governance structure, and the completion of a GHG audit. The LPA will soon finalize the development of its 2025 action plan which includes actions such as the identification of GHG emission reduction targets for its owned vessels, in line with the latest updates to the *Greening Government Strategy*. The LPA will also position itself for accountability for financial risks related to climate change and plans to review its procurement policy to include sustainable development considerations. See Section 4 – Strategic orientation No. 2 for more details.

Promoting a healthy workplace

The Authority is aware of the importance of providing employees with a workplace conducive to good mental health. A healthy workplace is built through shared values and behaviours, which shape and strengthen organizational culture. Thus, as part of the annual certification process for the LPA's Employee Code of Conduct, the federal Values and Ethics Code for the Public Sector will be integrated to raise employee awareness in relation to this commitment. The management team is committed not only to raising employee awareness, but also to actively intervening to prevent and resolve conflicts and improper behaviours in the workplace. The Authority strongly encourages practices that promote health (physical, psychological and organizational) by soliciting ideas from teams and practising proximity management, which allows for concrete action for colleagues and employees.

APPENDIX 10 / ORGANIZATIONAL CHART

