



PORT
SEPT-ÎLES

20
22

New momentum!

A WORD FROM THE CHAIR OF THE BOARD OF DIRECTORS

We're excited to present this report for 2022, a year marked by the rollout of an extensive strategic planning process. The main components and implications of that process will be shared with you in the pages that follow.

We'd like to express our appreciation to the many stakeholders who took the time to share their ideas and comments. This essential, joint reflection exercise involved port users and representatives of various local organizations, as well as staff and board members. Together we reviewed our organizational mission, vision, and values, and we're very pleased with the results.

More specifically, the planning process will open the door to a broader dialogue with our community in the coming years. Through open and collaborative governance, we will strengthen the bonds we've created and foster a greater sense of belonging among all members of our community and the communities around us.

The board of directors and its committees work with the permanent team to ensure active and forward-thinking governance of all Port operations. I'd like to thank the Board members for their ongoing commitment that has been vital to our success and for their readiness to spare no effort in achieving our goals. Most of all, I want to highlight the hard work of management and staff. Thanks to their expertise and dedication, we deliver exceptional service to users, and our organization continues to thrive. You are key pillars in our success!

We continue to provide funding for many community organizations that support families and individuals with special needs, working to make a difference in the quality of life of the people in our region. The quality of our environment is another top priority, and we've contributed to a number of research initiatives and projects.

The Port of Sept-Îles is a major player in the development of the region and the province. We're confident and committed to achieving our renewed vision: *Ensuring the growth of the Port and the sustainability of the bay of Sept-Îles through innovation.*



Bernard Lynch
Chairman of the board



A WORD FROM THE PRESIDENT AND CHIEF EXECUTIVE OFFICER

New momentum, thanks to YOU and with YOU!

Beyond the Port's new records and performance, 2022 was a decisive year due to the consultation exercises we carried out to chart a course for the future and give the Port NEW MOMENTUM!!

Two innovative initiatives were launched during the year to ensure the Port is as closely aligned as possible with its business context, community, and precious environment.

The first was a CO-CREATION process for the Mgr-Blanche sector in collaboration with the Quebec Maritime Network (RQM) and Laboratoire en innovation ouverte (LLio). The second was an extensive consultation with Port stakeholders and internal resources to develop a structured approach to a revision of how the organization should position itself in terms of its vision, mission, values, and future directions.

More than 50 people took part and shared their views during confidential meetings or interviews, the goal of which was to gather the opinions, expectations, and concerns of everyone involved. We're deeply grateful for their valuable contributions, which have spurred the new momentum we're proud to share with you in this report

NEW RECORDS ACHIEVED

With a total of 33.4 million metric tons of cargo handled in 2022, it was our best year of port operations since the local port authority was formed in 1999. This figure represents an increase of 4.1% over the previous year's total of 32.1 million metric tons. Our significant port operations on the St. Lawrence River allows us to maintain our ranking as the third-largest cargo handler among Canadian ports and the second largest in Quebec.

This growth was driven by increased shipments of iron ore, especially the 24% rise in exports by Quebec Iron Ore, which reached 10 million metric tons. Aluminerie Alouette also hit a new all-time high for aluminum shipments, with a record 574,000 metric tons routed by sea through the port.

As for cruises, Sept-Îles was the first St. Lawrence port to welcome a cruise ship as the industry resumed operations in Canada in the wake of the pandemic. In all, a record 11 vessels and 14,400 passengers visited this past season.



Pierre D. Gagnon
Port of Sept-Îles President and CEO



A BIGGER CREW

In connection with our digital transition and asset management, 2022 saw the arrival of new resources within the organization. We added new leadership positions to our management team: Human Resources, Sustainable Development and Environment; Engineering and Infrastructure, and Communications and Public Relations.

IN THE COMMUNITY

We were WITH YOU in 2022! We made significant contributions to a number of causes and organizations with monetary and people-powered support. The Port “made a difference” by donating more than \$270,000 to community organizations, especially those supporting families and individuals with special needs.

Based on feedback we received during the consultations, we’re going to do more and raise our profile in the community. To that end, we’re planning a public consultation to help strengthen the relationship between the Port and the City. Earlier this year, the Port Authority joined the International Association of Cities and Ports (IACP) to network and share projects of interest that would maximize the potential of our infrastructure for social, environmental, recreational, and tourism purposes.

IN THE NEAR FUTURE...

Spurred on by this new momentum, we expect to reach new and unprecedented levels of operations by proudly surpassing the benchmark of 40 million metric tons of cargo per year.





New momentum!

WE LISTENED

COMMUNITY CONSULTATIONS

To gain a new understanding of our external environment, we worked with an independent agent to launch an extensive consultation process with our users, partners, and stakeholders who regularly interact and work with the Sept-Îles Port Authority.

The purpose was to gather views, expectations, and concerns from all sides in order to review our vision, mission, and organizational values, and to help guide the Port's future actions. We met with numerous people from various sectors:

- Community organizations (4)
- Business community organizations (8)
- Socio-economic community organizations (10)
- Environmental organizations (4)

CONSULTATIONS WITH THE PORT TEAM

We met with Port employees to gather their input and vision. This internal consultation was essential to our analysis and understanding of the organization's internal environment.

OUR NEW MISSION

WITH STATE-OF-THE-ART FACILITIES AND SERVICES, THE PORT OF SEPT-ÎLES IS A MAJOR PLAYER IN THE NATIONAL ECONOMY THANKS TO THE SYNERGY OF ITS SOCIO-ECONOMIC, ENVIRONMENTAL, AND COMMUNITY PARTNERSHIPS BASED ON THE RESPONSIBLE DEVELOPMENT OF ITS OPERATIONS

State-of-the-art facilities and services

We have state-of-the-art facilities that meet the standards and expectations of our partners.

A major player in the national economy:

As the third-largest port in Canada, handling 10% of Quebec's annual exports, we play an important role in the regional, provincial, and national economy.

Synergy of our socio-economic, environmental and community partnerships:

We have a global vision of our partners' ecosystems, and we work with all stakeholders to maximize our impact and ensure everyone's development and success.

Responsible development:

We support the responsible development of resources in pursuit of prosperity, sustainability, and a better quality of life for the citizens.

OUR NEW VISION

ENSURING THE GROWTH OF THE PORT AND THE SUSTAINABILITY OF THE BAY OF SEPT-ÎLES THROUGH INNOVATION.

New momentum!

OUR UPDATED VALUES

PARTNERSHIP » OUR PARTNERSHIPS ARE THE FOUNDATION OF OUR COMMITMENT. THEY ARE AT THE HEART OF THE GROWTH AND DEVELOPMENT OF OUR COMMUNITIES.

BOLDNESS » WE ARE INNOVATIVE IN HOW WE WORK, AND WE ALWAYS SEEK TO GO ABOVE AND BEYOND TO MEET THE EXPECTATIONS OF OUR PARTNERS.

PROFESSIONALISM » WE STRIVE TO PROVIDE A DEDICATED TEAM AND RELIABLE SERVICES AND FACILITIES THAT MEET THE HIGHEST INDUSTRY STANDARDS.

TRANSPARENCY » WE VALUE RESPECT AND AIM TO BUILD LASTING RELATIONSHIPS BASED ON TRUST. WE ARE COMMITTED TO KEEPING OUR COMMUNITY PARTNERS UP TO DATE ON OUR OPERATIONS AND PROJECTS.

RESPONSIBILITY » WE MANAGE RESOURCES RESPONSIBLY TO ENSURE THEY WILL BE THERE FOR FUTURE GENERATIONS.

New momentum!

WELL-ALIGNED STRATEGIC DIRECTIONS

The wealth of feedback and opinions received during the consultations were incorporated into the organization's strategic planning process, and we identified five strategic directions that will guide the Port in the coming years. The process also targeted a series of priority actions to be given particular attention in 2023. In subsequent years, management and the Board will assess our progress and adjust the action plan accordingly.



Strengthen our relationships and connections with stakeholders.



Promote carbon neutrality.



Expand our regional/national/international reach.



Leverage our human capital.



Optimize the potential of our infrastructure.

Our performance at a glance



\$28 million

Gross revenue



513

Ships



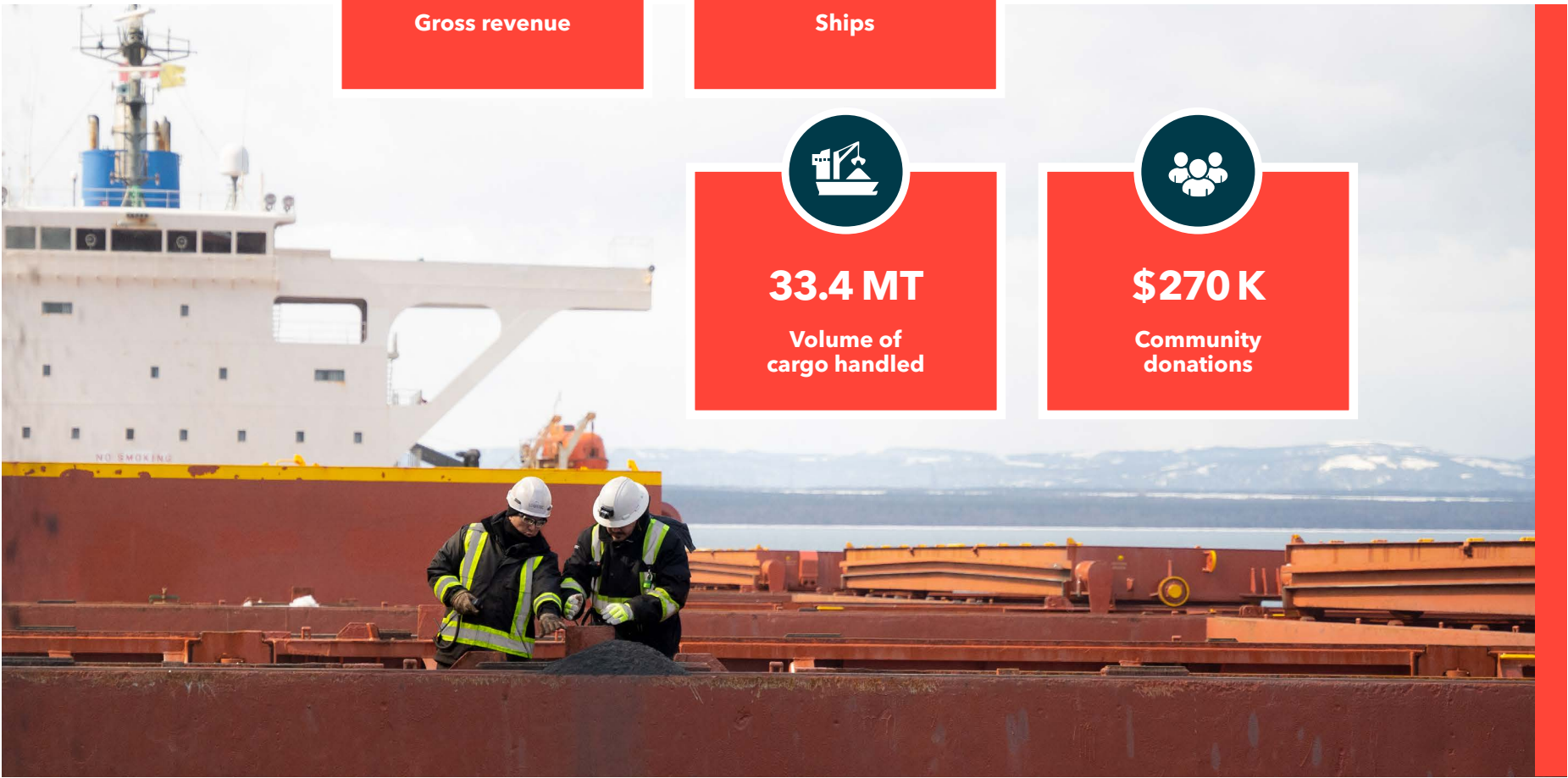
33.4 MT

Volume of cargo handled



\$270 K

Community donations



COMPLICITY TRIBUTE

PARTNERS GALA | 30 YEARS

The Aluminerie Alouette Partners Gala was back for its 30th anniversary edition.

The Port of Sept-Îles “Coup de coeur” award was presented to Jean Caron in recognition of his volunteer work over the past 45 years on numerous boards in our community and in the Côte-Nord region.



AAI - PSI
Golf tournament



COMMUNITY

DONATIONS AND CONTRIBUTIONS

The Port supported the community through donations of almost \$270,000 to various organizations and activities aimed at improving the well-being of individuals and families, especially those with special needs. We're pleased and reassured to know that we can make a difference, improve someone's life, or offer hope. We've also established direct connections with organization leaders and indirect connections with all the clients they serve. These relationships are important, for both sides.

During the consultation process that guided our 2022 strategic planning, all community respondents agreed that the Port is a key partner for their organization and that the funds we provide are essential for them to continue to thrive. Everyone on the entire Port team, both management and staff, is available and approachable, and they don't hesitate to get involved by donating or volunteering.



OMHSI Children's Christmas
Grande guignolée des médias
Marathon Mamu



ORGANIZATIONS

WE SUPPORT

À la source

All In

Café jeunesse de Clarke City
(Bal des neiges)

CAB Le Virage

CAB Port-Cartier

Comptoir alimentaire de Sept-Îles

Centraide Duplessis

Centre de dépannage du Parc Ferland

Club de golf Ste-Marguerite

Coupe Dodge

Eki-Lib Santé

Élyme des sables,
Sept-Îles palliative care home

Ensemble folklorique Tam ti delam

Épilepsie Côte-Nord

Festival Innu Nikamu

Fondation de l'hôpital de Sept-Îles
(Operation Red Nose)

Fondation Loisir Côte-Nord

Greffe-toi à nous

Jardin du ruisseau Bois-Joli

L'Âtre de Sept-Îles

L'Envol - Maison de la famille

Maison du Transit

Marée motrice

(Vieux poste hanté & Vieux poste Noël)

La Troupe du Masque d'or

Office municipal d'habitation
(OMH Children's Christmas)

Ordre du mérite Nord-Côtier

Vieux quai en fête

Répit Richelieu

Salon du livre de la Côte-Nord

Société d'horticulture de Sept-Îles

Station récréotouristique Gallix



\$270,000



Envol/SFPPN golf tournament
Troupe le masque d'or Christmas play
Festival Innu Nikamu/Photo: Kenny Régis

5 À HUÎTRES MARITIME TO BENEFIT ÉLYME DES SABLES

Another fundraiser and almost a record! It's something that we, and all the volunteers and partners involved, can be proud of.

The event marked the return of the "Rockefeller" gourmet dinner, and it was a remarkable occasion thanks to several partners. In particular, the event venue was named for Logistec in recognition of its valuable sponsorship.

LOGISTEC



L'ÉLYME DES SABLES PALLIATIVE CARE HOME

More than a home, a place of dignity. We also support various fundraising activities, including Souper Sacoche, for women only, and Téléradiothon, the final annual fundraiser.

PORT OPERATIONS

THE BEST YEAR SINCE THE CREATION OF THE SEPT-ÎLES PORT AUTHORITY

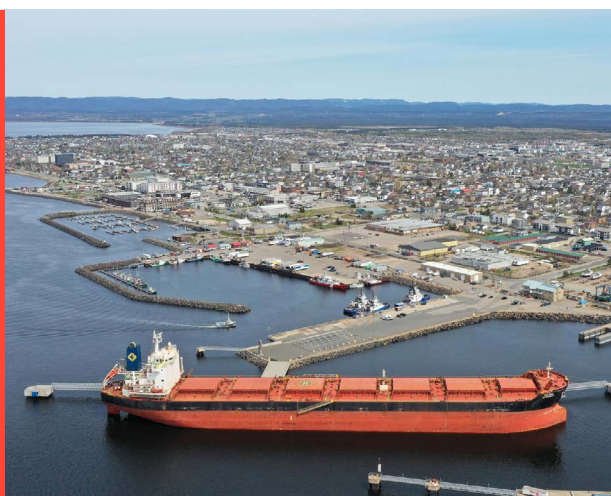
With a 4% increase in the volume, reaching 33.4 million metric tons of cargo, the Port of Sept-Îles had its best year since the Port Authority took over operations in 1999. We also came within 1.5 million metric tons of the historical record of 34.9 million metric tons, posted in 1979.

This volume of operations reaffirms the port's position as the third-largest port in Canada and the second largest on the St. Lawrence River, after the Port of Montréal.

We saw record shipping levels for the port's two main commodities, with 30.6 million metric tons of iron ore and 574,000 metric tons of aluminum.

A total of 513 ships docked in the bay of Sept-Îles, 7 more than the previous year. We also had a record year for cruises, with 11 vessels visiting the port in 2022 compared to 9 in 2014.

This was definitely a year of remarkable port operations, reflecting the recovery after the global pandemic.



	2022	2021	TOP CARGO TYPES	
SHIPS	513	506		
TOTAL TONNAGE	33,435,392	32,117,765	1	2022
INBOUND TONNAGE	2,211,073	2,334,731	Iron ore	29,222,015
OUTBOUND TONNAGE	31,224,319	29,783,034	2	2021
CANADIAN TONNAGE	489,806	545,555	Alumina	1,260,468
CANADIAN INBOUND	471,900	511,127	3	
CANADIAN OUTBOUND	17,906	34,428	Aluminum	552,319
FOREIGN TONNAGE	32,945,586	31,572,210	4	
FOREIGN INBOUND	1,739,173	1,823,604	Fuel oil/diesel/gasoline	322,116
FOREIGN OUTBOUND	31,206,413	29,748,606	5	
CRUISE SHIPS	11	0	Petroleum coke	259,171
PASSENGERS (including crew)	14,401	0	6	
			Limestone	201,835
			7	
			Coke breeze	114,856
			8	
			Bentonite	81,000
			9	
			Other liquid bulk	47,902
			10	
			Other cargo	44,849
			11	
			Other dry bulk	11,234

STATEMENT OF COMPREHENSIVE INCOME
Fiscal year ended at December 31, 2022 (in \$000s)

	2022	2021
GROSS REVENUE	27,799	24,651
OPERATING EXPENSES		
Operating expenses	13,390	12,189
Administrative expenses	4,446	4,014
	17,836	16,203
INCOME BEFORE OTHER ITEMS	9,963	8,448
OTHER ITEMS		
Other revenue	651	143
Change in the fair value of interest rate swaps	3,277	2,039
Financial expenses	(1,065)	(1,001)
Contract obligations – Multi-user Dock	5,268	8,135
OTHER COMPREHENSIVE INCOME ITEMS	(301)	334
COMPREHENSIVE INCOME	17,793	18,098
CAPITAL EXPENDITURES	2,244	3,946

2022 FINANCIAL RESULTS

Due mainly to shipping volume growth at the Multi-user Terminal, gross revenue increased by 12.7% to \$27.8 million.

Operating expenses rose 10% to \$17.8 million, mainly due to higher volume-related costs and service purchases.

As a result, our operating income closed the year at \$10 million, which is \$1.5 million higher than last year.

Other line items were significantly impacted by contractual obligations from the Multi-user Dock and changes in the fair market value of interest rate swaps.

Overall, comprehensive income fell by \$0.3 million to \$17.8 million, compared with \$18.1 million last year.

Key investments made in 2021 went to the cathodic protection upgrade projects at the Cruise Ship Dock (\$0.2 million) and the new hangar at the Multi-user Dock (\$1.9 million).

STATEMENT OF FINANCIAL POSITION as at December 31, 2022 (in \$000s)		
	2022	2021
ASSETS		
CURRENT ASSETS		
Cash and cash equivalents	7,957	21,244
Accounts receivable	3,899	2,312
Inventories	2,852	3,017
Prepaid expenses	258	242
Land held for sale	57	57
Current portion of investments	10,500	1,500
Grants receivable	279	1,661
	25,802	30,033
INVESTMENTS	11,500	500
GRANTS RECEIVABLE	6,114	6,393
DEFINED BENEFIT ASSETS - PENSION PLAN	0	80
PROPERTY, PLANT & EQUIPMENT	302,082	309,724
DERIVATIVE INSTRUMENTS	2,272	0
	347,770	346,730

STATEMENT OF FINANCIAL POSITION as at December 31, 2022 (in \$000s)		
	2022	2021
LIABILITIES AND EQUITY		
CURRENT LIABILITIES		
Accounts payable	6,092	4,980
Deferred revenues	4,979	9,381
Current portion of long-term debt	5,340	5,340
	16,411	19,701
DEFERRED REVENUES	36,296	40,417
LONG-TERM DEBT	31,991	37,331
DERIVATIVE INSTRUMENTS	0	1,005
DEFERRED CONTRIBUTIONS	97,917	101,015
DEFINED BENEFIT LIABILITIES - SEVERANCE PAYMENTS	1,036	935
	183,651	200,404
EQUITY		
Contributed capital	11,707	11,707
Retained earnings	154,216	136,122
Accumulated other comprehensive income	(1,804)	(1,503)
	164,119	146,326
	347,770	346,730

ENVIRONMENT

ENVIRO-ACTIONS

In March 2022, the Port once again demonstrated its leadership by providing \$2.5 million in financial support to launch the Enviro-Actions project with its partner, the Northern Institute for Research in Environment and Occupational Health and Safety (INREST).

The Port of Sept-Îles will be a true leader on the St. Lawrence River in terms of instrumentalization and near real-time data collection for environmental monitoring of the bay of Sept-Îles. The first awareness day, Jour Enviro-Actions Fleuve Laurent/Rivière Saguenay, held on August 10 at the Mgr-Blanche Dock, showcased the initiative to the community.

In addition, the Port launched a comprehensive assessment of atmospheric emissions on its premises, in collaboration with the Côte-Nord carbon cohort initiated by Environnement Côte-Nord and supported by the Écoleader fund as part of the federal "Climate of Change" initiative.



Pierre D. Gagnon, President and CEO, Port of Sept-Îles
and **Dre Julie Carrière**, Executive Director, INREST and CEIP



ENVIRONMENT

INVOLVEMENT

We continue to support local environmental organizations. This year, the Port contributed to the “Ici commence le St-Laurent!” awareness campaign launched by Corporation de protection de l’environnement de Sept-Îles and to the restoration of the capelin spawning grounds in the Sainte-Marguerite sector, a project led by Comité ZIP Côte-Nord du Golfe that began last year and was completed in 2022.



Sculpture created by artist **Michelle Lefort** for the «Ici commence le St-Laurent» campaign.

Ici commence le **St-Laurent**

Les déchets jetés dans la toilette ou l'évier polluent les milieux naturels et compliquent les opérations de traitement des eaux usées.

DANS NOS TOILETTES... ON JETTE SEULEMENT CE QUI P.U.E :

P **U** **E**
PAPIER HYGIÉNIQUE URINE EXCRÉMENTS

OÙ JETER VOS DÉCHETS :

- POUBELLE
- ÉCOCENTRE et aires de réception des matières résiduelles
- PHARMACIE

Lingettes biodégradables Cotons-tiges Soie dentaire Cheveux Serviettes hygiéniques et tampons Préservatifs

Médicaments périmés ou inutilisés Huile de cuisson Résidus domestiques dangereux (Peinture, teinture, vernis, aérosols, huile à moteur, etc.)

Promoteur du projet

Merci à nos partenaires financiers



CO-CREATION

COLLABORATION

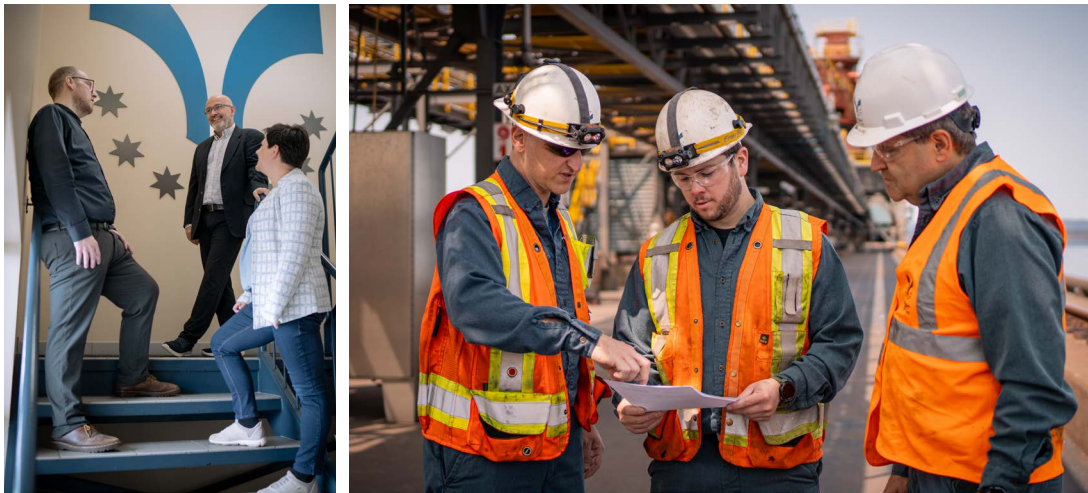
In 2022, the Port of Sept-Îles continued efforts to improve its performance in the Green Marine voluntary certification program. A new community relations indicator is now mandatory. We decided to test the new guidelines for this indicator with a co-creation project allowing us to explore a new way of working with our stakeholders that goes beyond consultations and gets them directly involved in our activities.

In collaboration with the Quebec Maritime Network (RQM) and with the help of Laboratoire en innovation ouverte (LLio) at Cégep de Rivière-du-Loup, the Port brought together nearby partners involved in cruise development to discuss the redevelopment of the Mgr-Blanche sector. The initiative gave us a better overview of what the community might want and need in terms of physical layout.

The Green Marine program brings together various participants from the marine industry, ports and terminals, ship owners, seaways and shipyards, as well as many supporters based primarily in Canada and the United States, and now with members in Europe and Australia. The program covers environmental issues such as invasive species, atmospheric emissions, spill prevention, community impacts, waste, and underwater noise.



Brainstorming exercise on the future development of the Mgr-Blanche sector.



TEAM MEMBERS

Carl Allard
Director - Mechanical & Electrical Maintenance

Véronique Boudreau
Director - Finance & Administration

Michelle Bourgeois
Manager - Infrastructure Maintenance

Manon D'Auteuil
Senior Director - Digital Transition

Dominic Dérap
Technical Services Manager

Aurélien Desplanques
Reliability Technician

Pierre Gagnon
President & Chief Executive Officer

Shawn Grant
Harbour Master & Port Security Officer

Marie-Eve Guérin
Director - Human Resources

Patsy Keys
Director - Corporate Affairs & Corporate Secretary

Paul Leblanc
Director - Infrastructure Engineering and Maintenance

Raynald Ouellet
Vice President - Operations & Business Development

Julian Potvin
Operations & Maintenance Planner Supervisor

Joel Richard
Accounting Technician

Mélissa Sanikopoulos
Director - Environment & Sustainability

BOARD OF **DIRECTORS**



Bernard Lynch, Chair / Mirka Boudreau / Serge Lévesque / Gilles Couture
Nancy Jourdain, Vice Chair / Jean-François Bonneau

COMMITTEES

AUDIT

Serge Lévesque, Chair
Jean-François Bonneau
Bernard Lynch, ex officio

GOVERNANCE

Gilles Couture, Chair
Nancy Jourdain

HUMAN RESOURCES

Nancy Jourdain, Chair
Mirka Boudreau
Bernard Lynch, ex officio

ENVIRONMENT, SAFETY, HEALTH AND SECURITY

Mirka Boudreau, Chair
Gilles Couture
Bernard Lynch, ex officio



TOGETHER

**WITH
YOU***