

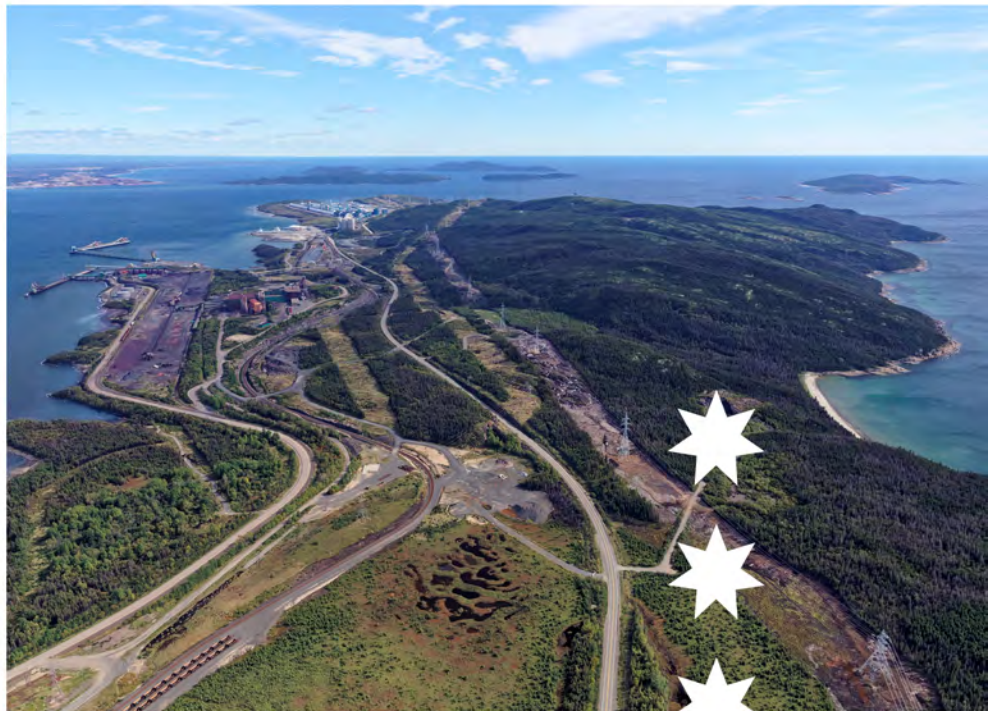
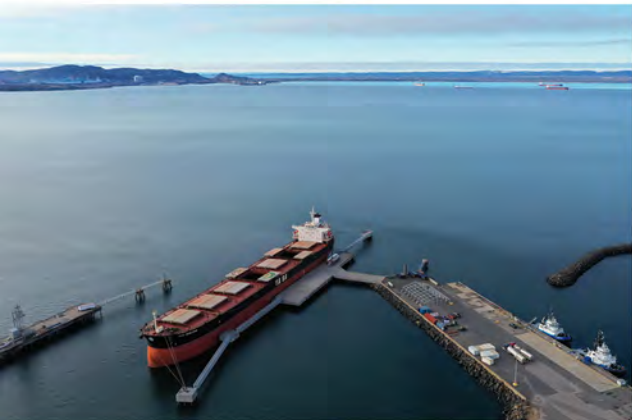
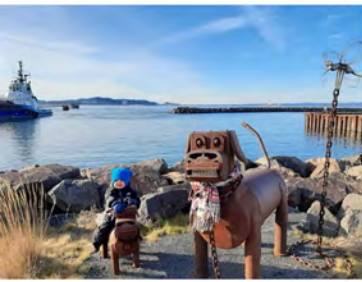


**WE ARE YOUR ALLY**  
PURPOSEFUL ACTION, TANGIBLE RESULTS

**2021 ANNUAL REPORT**



Photo credit :  
Robert Dessureault



## WE ARE

THE LARGEST MARITIME SHIPPING HUB AT THE HEAD OF THE ST. LAWRENCE

A STRATEGIC PARTNER IN THE REGION'S ECONOMIC DEVELOPMENT

A PILLAR OF OUR COMMUNITY



## MISSION

The Port of Sept-Îles promotes partnership and sustainable regional development in providing quality facilities and services and leveraging the natural advantages of the Bay of Sept-Îles.

## VALUES

The Port of Sept-Îles's performance hinges on the values of partnership, commitment, customer service, professionalism, and expertise. Our tight-knit crew is driven by a sense of pride, purpose, solidarity, and a desire to excel. These values define who we are, what we hold dear, and what inspires us.

## OUR PERFORMANCE AT A GLANCE



**\$25**

million in gross revenue



**506**

ships



**32.1 MT**

of goods handled



**\$385K**

in community donations

## HIGHLIGHTS



### IP ZONE - PARTICIPATION ON THE LOCAL COMMITTEE

The IP Zone is the area closest to the Port of Sept-Îles's service facilities and road and rail infrastructure. Companies in the IP Zone find it easier to bring in materials and ship their products to North American and international markets. This geographic proximity is a competitive advantage for processing and logistics sector stakeholders in particular, allowing them to leverage best-in-class facilities, streamline their operations, and share port infrastructure and services.

[zoneipseptiles.com](http://zoneipseptiles.com)





★ *« The timing couldn't be better for the Pointe-aux-Basques intermodal terminal to reopen and meet the region's sustainable transport needs as a logical, welcome alternative for the non-standard road traffic using Route 138. »*

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

## POINTE-AUX-BASQUES | **TERMINAL**

**OCTOBER 25, 2021** | Chantal Rouleau, Quebec's Minister for Transport and Minister Responsible for the Metropolis and the Montreal Region, and Jonatan Julien, Quebec's Minister of Energy and Natural Resources and Minister Responsible for the Côte-Nord Region, were the guests of honour at a traditional ribbon-cutting ceremony to celebrate the completion of work at the Pointe-aux-Basques Terminal, restoring its status as a vital inland gateway and maritime link to the remote villages on the Lower North Shore. The \$20 million project was awarded to LFG Construction in May 2020 and funded equally by the Canadian government's National Trade Corridors Fund (NTCF), Ministère des Transports du Québec's Programme de soutien aux investissements dans les infrastructures de transport maritime (PSIITM), and the Port of Sept-Îles. Thanks to the efforts of over 150 workers at its peak, the project was completed in September 2021 on time and on budget. The resulting structure will be better equipped to handle maritime and intermodal transport and climate change.



★ *« This partnership with Microbrasserie La Compagnie has exceeded our every expectation! We are firmly committed to staying the course and supporting organizations that come to the aid of families, especially during the pandemic. We're very proud to have been there for the families who use L'Envol-Maison de la Famille. »*

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

## POINTE-AUX-BASQUES | **COMMEMORATIVE BEER**

**AUGUST 18, 2021** | The Port of Sept-Îles and Microbrasserie La Compagnie are pleased to announce sales from their Pointe aux Basques beer have generated a second donation of \$3,000 to L'Envol-Maison de la Famille on top of the initial \$2,000 donation in December 2019. On Open House Day at the Monseigneur-Blanche Dock two years ago, the Port of Sept-Îles and Microbrasserie La Compagnie unveiled the results of a joint initiative to commemorate the local port authority's 20 years of autonomy: a new craft beer aptly named "Pointe aux Basques." The Port and the microbrewery committed to donating a portion of every Pointe aux Basques beer sold to a community organization working to support Sept-Îles families. The partners are pleased to announce they plan to continue paying it forward to other family services providers, with the next round of donations going to À la Source, an organization that provides assistance, breastfeeding support, and accommodations to families travelling to Sept-Îles for a birth. We are so proud of our award-winning beer. Cheers!

## A WORD FROM THE CHAIRS

WE ARE AN ALLY OF THE COMMUNITY



It was another pandemic year marked by challenging lows on many levels, but we weathered the storm thanks to invaluable support from local organizations and individuals who understand the vital role this strategic and logistics hub plays for the business community and especially for local families and the most vulnerable among us. We pay tribute to them.

It's no secret that the Port's operations have a huge impact on the region, not to mention the province. We are a major economic driver, making up more than 10% of Quebec's total annual export trade.

Despite having our second-best year since the Port Authority was created in 2019, the 2021 volume of 32.1 million MT was 3% lower than the previous year's 33.1 million MT—driven by five straight years of growth from the Multi-user Dock. Still a highly respectable level of activity that earned the Port of Sept-Îles third place among all Canadian ports.

With the groundbreaking on Quebec Iron Ore's 7 million MT expansion project to look forward to this spring, there is clearly light on the horizon for the coming year. The new boost in capacity at the Multi-user Dock is expected to push the Port past the 40 million MT mark in 2022 to become Canada's second largest port by volume.

We are the Port of Sept-Îles—brave, tenacious, and determined. What better way to embody that spirit than by reopening the Hermel exhibition through a rewarding partnership with Tourisme Sept-Îles. The exhibition is a major draw for residents, students, visitors, tourists, and cruise ship passengers and a huge point of pride for us all.

We are WITH YOU! We have launched or shored up many partnerships and followed through on every commitment. One that stands out is our project with the City of Sept-Îles to give new life (and a maritime theme!) to Aylmer-Whittom Park, a popular gathering place for local and visiting families.

Other key partnerships we would like to highlight, specifically in the extraordinary context of COVID-19, include an agreement with the Arsenal Média radio network and Plaisir 94.1 Sept-Îles. CFER-TVA Est-du-Québec also worked with us on a series of TV spots to feature organizations that have benefited from our donations and sponsorships program.

Everyone knows how critical the last mile to port is. Which is why we'd like to highlight the intensity of the 2021 activities at SFP Pointe-Noire's facilities, which orchestrated a major \$130 million infrastructure improvement project while continuing to offer the same level of handling service users have come to expect from our Port. Kudos for your commitment to providing quality service and top-tier facilities to the iron industry at a one-of-a-kind complex that draws on the combined strengths of SFP Pointe-Noire and the Port, two strategic allies well aligned to develop Pointe-Noire's full potential.



**PIERRE D. GAGNON**  
PORT OF SEPT-ÎLES PRESIDENT AND CEO

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**CAROL SOUCY**  
CHAIRMAN OF THE BOARD

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# COMMUNITY

## REPORT

WE STAND in solidarity and partnership, knowing that our actions have a huge impact on people, and families in particular. With the pandemic still very much a reality, this has never mattered more, which is why we continue to offer support in ways that meet the community’s ever-changing needs—some \$400,000 in invaluable financial assistance in 2021. These initiatives and partnerships took various forms, including an advertising campaign with TVA to promote four community organizations. The four-week broadcasts allowed both the Port and its partners to reach new and different audiences and share what we do—something out of reach for most community organizations. We are particularly proud of the announcement and implementation of a joint project with the City of Sept-Îles for a rather impressive revamp of Aylmer-Whittom Park.



JULY

13

2021

Through a partnership agreement with the City of Sept-Îles, the Port will contribute \$260,000 toward the Aylmer-Whittom Park revitalization project. The goal is to breathe new life into the park, a space enjoyed by locals and visitors alike. Work will begin in May 2022 and will include an entranceway redesign complete with an entrance gate and a new sanitary building that will blend into the landscape. The central space will be a maritime-themed playground with new equipment and more modern playhouses. But the undeniable focal point of the revamped family gathering spot will be a 10-metre-long ship where budding explorers and pretend pirates can set sail for grand adventures!

★ *« Aylmer-Whittom Park is one of our region’s true natural treasures. Its location along the bay is ideal, and everyone loves it. So when the idea of spicing up the playground with a maritime theme was suggested, we were immediately on board. The visitor experience will be enhanced with the addition of interpretation panels recalling the rich maritime history of the Bay of Sept-Îles from the days of the first Basque visitors to Jacques Cartier’s 1635 arrival through to the present day. »*

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

# COMMUNITY

## REPORT

Our community network is expanding and we couldn't be more proud! Contributing to the well-being of our fellow citizens and neighbours is incredibly rewarding.

- Comptoir alimentaire de Sept-Îles
- OMH Sept-Îles
- SPCA
- L'Élyme des sables, maison de soins palliatifs de Sept-Îles
- Vieux Quai en fête
- Centre d'action bénévole Le Virage de Sept-Îles
- Centre d'action bénévole de Port-Cartier
- Centraide Duplessis
- Salon du livre de la Côte-Nord
- Hommes Sept-Ils
- À la source Sept-Îles
- L'Envol, maison de la famille
- L'Âtre de Sept-Îles







## COMMUNITY REPORT



FEBRUARY

25

2 0 2 1

The Port of Sept-Îles announced a promising financial partnership with L'Âtre de Sept-Îles that includes a major \$30,000 contribution of \$10,000 per year for three years. In collaboration with the Centre d'Intervention le Rond-Point, the financial support will be used to hire an outreach worker whose main mission will be to find solutions to pressing problems by meeting target clients where they are—literally and figuratively. Concretely, that means a support and referral service for those age 25 and up who live in and around Sept-Îles and are facing hardship for which they need direct, regular, or occasional assistance.

★ *« Making this \$30,000 donation to L'Âtre de Sept-Îles was an easy decision. An outreach worker is essential in order to serve the segment of the population struggling with mental health issues, especially during the pandemic. Mental illness can strike anyone, anywhere. We support L'Âtre de Sept-Îles's efforts to safeguard the well-being of our community. We're proud to help the organization build a solid foundation for such a critical service at a time when it's needed most. »*

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

# PORT OPERATIONS

## REPORT



### Second best year since the creation of the Port Authority

With 32.1 million MT, 2021 was the Port's second best year since the Port Authority was created in 1999, albeit 3% lower than the previous year's 33.1 million MT. A highly respectable level of activity that earned the Port of Sept-Îles third place among all Canadian ports. The slight decline came on the heels of five straight years of growth mainly due to the commissioning of the Pointe-Noire Multi-user Dock's world-class facilities. Most of the shortfall can be explained by the dip in iron ore shipments due to equipment breakdowns and incidents affecting production for some of our users.

- ★ « In 2022 new volumes are expected to allow the Port to hit a historic high, crossing the 40 million MT mark to become Canada's second largest port in terms of business volume. »
- ★
- ★

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

	2021	2020
<b>SHIPS</b>	506	508
<b>TOTAL TONNAGE</b>	32,117,765	33,076,357
<b>INBOUND TONNAGE</b>	2,334,731	2,207,704
<b>OUTBOUND TONNAGE</b>	29,783,034	30,868,653
<b>CANADIAN TONNAGE</b>	545,555	596,413
<b>CANADIAN INBOUND</b>	511,127	455,718
<b>CANADIAN OUTBOUND</b>	34,428	140,695
<b>FOREIGN TONNAGE</b>	31,572,210	32,479,944
<b>FOREIGN INBOUND</b>	1,823,604	1,751,986
<b>FOREIGN OUTBOUND</b>	29,748,606	30,727,958
<b>CRUISE SHIPS</b>	0	0
<b>PASSENGERS</b> (including crew)	0	0

TOP CARGO TYPES			
		2021	2020
<b>1</b>	Iron ore	29,222,015	30,300,425
<b>2</b>	Aluminum	1,260,468	1,212,085
<b>3</b>	Alumina	552,319	562,242
<b>4</b>	Fuel oil/diesel/gasoline	322,116	288,456
<b>5</b>	Petroleum coke	259,171	236,353
<b>6</b>	Dolomite (Limestone)	201,835	168,919
<b>7</b>	Coke breeze	114,856	117,155
<b>8</b>	Bentonite	81,000	107,500
<b>9</b>	Other liquid bulk	47,902	49,647
<b>10</b>	Other cargo	44,849	21,686
<b>11</b>	Other dry bulk	11,234	11,889

# ENVIRONMENTAL

## REPORT

The Port of Sept-Îles is evaluating its environmental performance through Green Marine, a voluntary initiative that looks at issues of concern for the maritime industry, including invasive species, greenhouse gases, spill prevention, waste, underwater noise, and community relations.

In 2021 the Port further demonstrated its leadership by providing significant financial support to advance scientific research around the Port of Sept-Îles, specifically through Université Laval's Research Chair on Coastal Ecosystems and Port, Industrial and Maritime Activities. An underwater noise acoustic survey was conducted in the Bay of Sept-Îles and will continue over the next few years.

We also conducted a waste characterization survey to help the Port reduce waste and identify best management practices. The group project was carried out with two of our users, Ocean Group and Logistec Stevedoring, through a grant from the Fonds Écoleader and with the support of a subject matter expert.

We also redeveloped 101 Brochu near Retty street so the land can be used in ways better aligned with the surrounding residential areas. The project was carried out in collaboration with LFG Construction, which also did the repairs to the Pointe-aux-Basques Dock. Thanks to their involvement, it became the first GHG emissions-offset project at the Port of Sept-Îles.

### About Green Marine

Green Marine is a voluntary environmental certification program for the maritime industry. Participants include shipowners, ports, terminals, Seaway corporations, and shipyards in Canada, the United States, and now also Europe. Membership in the program has grown steadily since its inception. In 2021 the program had 390 members, including 154 participants, 113 partners, 38 association members, and 85 supporters.



# ENVIRONMENTAL

## REPORT

### Engagement

The Port continued to be a beacon in its community by supporting local organizations that address social and environmental issues, including the Rivière Moisie shoreline cleanup, an initiative spurred by the Corporation de Protection de l'Environnement de Sept-Îles as part of Qualité Motel's La Virée du Saint-Laurent tour.



### JANUARY

# 18

2 0 2 1

A total of 4,100 m<sup>2</sup> of capelin spawning habitat was restored on Val-Marguerite beach in fall 2020 by the Comité ZIP Côte-Nord du Golfe in partnership with Fisheries and Oceans Canada, the City of Sept-Îles, and the Port of Sept-Îles. The effort, part of the "Monitoring and restoration of capelin habitats on the North Shore of the Gulf of St. Lawrence" project, included removing 3,780 tonnes of riprap that has collapsed on the Val-Marguerite beach since December 2016.



### JUNE

# 14

2 0 2 1

The Port of Sept-Îles entered a three-year partnership with the Club de Golf Sainte-Marguerite to reforest a swath of land devastated in recent years by a spruce budworm infestation. To underpin its environmental commitment, the Port of Sept-Îles donated 35 mature trees for 2021 to help replace the ones ravaged by the insect outbreak. By 2023 more than 100 trees will be planted at the golf club as a result of the Port's \$15,000 contribution to this important cause.

★ « Protecting the planet and supporting environmental efforts in the region are a priority for the Port of Sept-Îles. We are proud to be involved in this initiative to reduce greenhouse gases and boost carbon sequestration through reforestation. »

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

# FINANCIAL

## BALANCE SHEET

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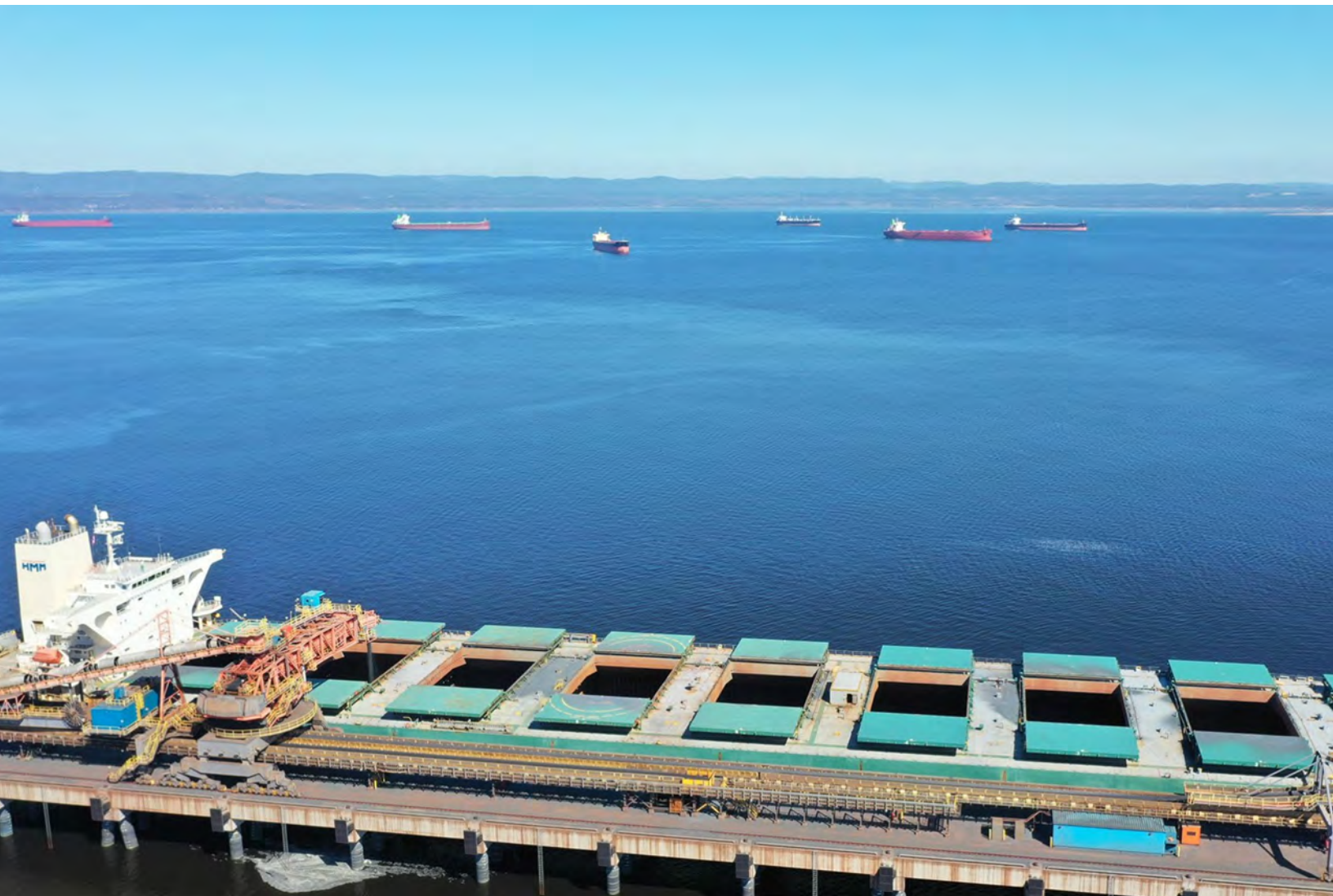
Gross revenue held steady at \$24.6 million again this year, despite a slight 3% decline in annual volume. Longer dockside stays resulting in higher revenue helped us close the gap.

At \$16.2 million, operating expenses went up 15%, largely due to emergency repairs required at the Monseigneur-Blanche Dock and payments in lieu of taxes with the municipality.

The increase affected our operating income, which closed the year at \$8.5 million, down \$2.1 million from 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.

The overall result was a positive balance of \$18.1 million, up from \$12.8 million the year before. Key investments made in 2021 went to the Pointe-aux-Basques Terminal rehabilitation project (\$2.8 million), upgrades to the Pétroliers and Cruise Ship docks (\$0.7 million), and a new hangar at the Multi-user Dock (\$0.2 million).



**STATEMENT OF COMPREHENSIVE INCOME**  
Fiscal year ended at December 31, 2021 (in \$000s)

		<b>2021</b>	<b>2020</b>
<b>GROSS REVENUE</b>		<b>24,651</b>	<b>24,612</b>
<b>OPERATING EXPENSES</b>			
	Operating expenses	12,189	10,897
	Administrative expenses	4,014	3,210
		<b>16,203</b>	<b>14,107</b>
<b>INCOME BEFORE OTHER ELEMENTS</b>		<b>8,448</b>	<b>10,505</b>
<b>OTHER ELEMENTS</b>			
	Other revenues	143	203
	Change in the fair value of interest rate swaps	2,039	(1,789)
	Financial expenses	(1,001)	(1,145)
	Contract obligations - Multi-user dock	8,135	11,028
	Dispute settlement - Multi-user dock	-	(5,506)
<b>OTHER COMPREHENSIVE INCOME</b>		<b>334</b>	<b>(460)</b>
<b>COMPREHENSIVE INCOME</b>		<b>18,098</b>	<b>12,836</b>
<b>CAPITAL EXPENDITURES</b>		<b>3,946</b>	<b>35,080</b>



## STATEMENT OF FINANCIAL POSITION

As at December 31

	<b>2021</b>	<b>2020</b>
<b>ASSETS</b>		
CURRENT ASSETS		
Cash & cash equivalents	21,244	11,204
Accounts receivable	2,312	2,904
Inventories	3,017	2,878
Prepaid expenses	242	228
Land held for sale	57	0
Current portion of investments	1,500	0
Grants receivable	1,661	0
	<b>30,033</b>	<b>17,214</b>
INVESTMENTS	500	2,000
GRANTS RECEIVABLE	6,393	0
DEFINED BENEFIT ASSETS - PENSION PLAN	80	0
PROPERTY, PLANT & EQUIPMENT	309,724	315,318
	<b>346,730</b>	<b>334,532</b>
<b>LIABILITIES &amp; EQUITY</b>		
CURRENT LIABILITIES		
Accounts payable	4,980	5,802
Deferred revenues	9,381	9,922
Current portion of long-term debt	5,340	11,041
	<b>19,701</b>	<b>26,765</b>
DEFERRED REVENUES	40,417	50,814
LONG-TERM DEBT	37,331	29,639
DERIVATIVE INSTRUMENTS	1,005	3,044
DEFERRED CONTRIBUTIONS	101,015	94,765
DEFINED BENEFIT LIABILITIES - PENSION PLAN	0	448
DEFINED BENEFIT LIABILITIES - SEVERANCE PAYMENTS	935	829
	<b>200,404</b>	<b>206,304</b>
<b>EQUITY</b>		
Contributed capital	11,707	11,707
Retained earnings	136,122	118,357
Accumulated other comprehensive income	(1,503)	(1,836)
	<b>146,326</b>	<b>128,228</b>
	<b>346,730</b>	<b>334,532</b>



## LEADING THE WAY IN NAVIGATING THE ENERGY TRANSITION

To ensure the resilience and competitiveness of the broader industry it serves and to fully embody its role as a driver of change and innovation, the Port of Sept-Îles will develop unique partnerships with regional economic development collaborators to foster green energy projects and gradually decarbonize local industry. As a recognized leader in environmental monitoring on the St. Lawrence, we will apply the same forward-looking approach to adapting our port facilities to leverage new energy opportunities over the next decade and promote the sustainable development of the Bay of Sept-Îles's industries and ecosystems.







TOGETHER  
**WITH  
YOU\***

Photo credit :  
**Robert Dessureault**