

ANNUAL REPORT 2017



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# THE GREATER WE BECOME

The more we work together to move people and goods... meeting the growing demand for efficient, sustainable air travel... connecting global routes with regional transportation networks...

...the better we're able to create new jobs and opportunities... foster innovation, investment and partnerships... and strengthen vital economic links within our communities, across Canada and to every corner of the earth.



The better we move

# OUR NEIGHBOURHOOD

As Toronto Pearson becomes one of the world's leading airports, we're more focused than ever on our own backyard. We help our neighbours discover new experiences and opportunities around the globe. And we welcome people from elsewhere – tourists and new Canadians, business leaders and entrepreneurs – as they forge valuable connections in the GTA, Southern Ontario and the rest of Canada. We help create jobs, drive growth and build healthy, prosperous communities. And it all starts with getting everyone moving better.



# TRANSFORMING TRANSIT IN THE GTHA

**This is a transformational moment for the transportation leaders in our region, writes Phil Verster, President and Chief Executive Officer of Metrolinx. Our communities are counting on us to make mobility better, easier and faster.**

Back in 1910, R.C. Harris proposed that Toronto needed to build a lower deck on the Bloor Viaduct for rail transport. The city finally agreed to the project, but the realization of Harris's vision only came to fruition 50 years later, when the Bloor-Danforth line opened. That forward thinking in 1910 put Toronto in a position to connect the city and would contribute millions of dollars to the local economy.

After decades-long calls for a permanent and fast rail link between Toronto Pearson and downtown, the connection of the airport to Union Station achieved something similar. The Union-Pearson Express – or UP Express – now carries more than 300,000 riders each month.

And we need to do more. Building a transportation system that is an engine for economic growth in the Greater Toronto and Hamilton Area (GTHA) is now an urgent priority.

Metrolinx is delivering the single largest transit expansion in GO services and LRTs the GTHA has ever seen. We are building six new GO stations, as well as six new Smart Track stations, and will quadruple our number of train trips every week. We are already serving customers better today by increasing our service levels every few months. This is transforming how people use our entire transit system. It presents our customers with great opportunities to reimagine the way they use transit in this region.

Let's take a moment to imagine what the future may look like. On the Stouffville GO corridor, we plan to build new stations at Lawrence-Kennedy and Finch-Kennedy. Together with existing stations at Eglinton-Kennedy, Milliken and Unionville, we can transform transit access for hundreds of thousands of people in Scarborough and York Region.

We plan to operate four trains per hour on key parts of the GO network – all day, every day – and we are also considering an even more intensive 10-minute service on the Stouffville line, similar to a subway.

But let's not stop there. This high-frequency GO service on the Stouffville and Kitchener corridors – in the familiar “U shape” that mimics the TTC's Line 1 subway – can become a seamless and direct service between Toronto Pearson and Liberty Village, East Harbour, Gerrard and all the stations on the Stouffville line.

With even more collaborative thinking, there are very real options to connect Toronto Pearson with western and eastern Ontario through GO and high-speed rail services while also increasing connections from LRTs and local and regional buses.

Improving transit access to Toronto Pearson is one of the key priorities in our Regional Transportation Plan (RTP). Toronto Pearson is at the centre of the Airport Employment Zone, one of the largest employment hubs in Canada, and the GTAA's proposed regional transit centre is a unique opportunity for creating the most significant multi-modal interchange in the area.



**PHIL VERSTER**

Phil Verster is President and Chief Executive Officer of Metrolinx, which is undertaking the largest transportation investment in Ontario's history to get you where you need to go better, faster and easier, while also operating GO Transit, UP Express and PRESTO. Learn more about how we're connecting communities, building partnerships and providing you new ways to travel around our region at [Metrolinx.com](https://www.metrolinx.com).



While we plan and prepare for substantial future projects, successes today make a difference to our customers. In late 2017, we put the finishing touches on the Mississauga Transitway. That's 18 kilometres of dedicated bus rapid transit and 12 new stations. People across the region now have better access to GO Transit, MiWay and the TTC, with a connection to Toronto Pearson at Renforth Station.

The Eglinton West LRT extension to the airport is one option in the RTP; it extends the Eglinton Crosstown from Mount Dennis to Renforth Station and then on to Toronto Pearson. Similarly, the Hurontario LRT represents a platform for transit in Brampton and Mississauga that will enhance local mobility.

Working as a region, we will use fare integration to remove barriers and encourage ridership, maximizing the economic benefits from transit investments.

In a world where we are contemplating autonomous cars, where we are walking and cycling more, and where we ride share, transit networks offer so much more value and benefits.

Today, approximately 9 per cent of people in the GTHA live within walking distance of a subway station, bus stop or GO station. Our plans will increase that percentage fourfold to 36 per cent by 2041. What an exciting future!

Let's make mobility better, easier and faster. Our communities depend on it.



OUR NEIGHBOURHOOD

# THE MORE GROWTH WE SPARK

As a global hub, we don't just respond to local growth – we help to drive it. Toronto Pearson is an engine of the regional and national economies, creating employment, enabling development and contributing significantly to expanding GDP. When people and goods get where they need to go, the whole economy moves better.

## GIVING THE ECONOMY A LIFT

Our airport is a major contributor to Ontario's economy. According to a 2016 study commissioned by the GTAA, Toronto Pearson generates about \$42 billion in economic activity annually, or 6.3 per cent of provincial GDP. What's more, as Canada's largest airport, we also have a significant national impact. In part this is because the commercial and financial heartland of Ontario accounts for about two-fifths of overall Canadian GDP. At the same time, businesses across the country depend on the connectivity we provide. Whether it's farmers and fishers exporting their harvests to emerging markets, high-tech companies arranging manufacturing overseas or tourist destinations attracting visitors from abroad, all of Canada depends on our global hub airport to drive revenues and growth.

The importance of air connectivity as both an indicator and a driver of growth is evidenced by the fact that passenger traffic at Toronto Pearson grew at more than double the rate of Canadian GDP between 2006 and 2016. Across the region, and especially in the GTA, average annual household spending on air travel has also been rising, even as the real cost of airfares has declined – a consumer trend that correlates to higher incomes, as well as education levels.

When the economy is robust, people fly more – and vice versa.

Increased air travel coincides with a stronger economy. As Ontario continues its competitive shift toward research, innovation and other specialized services, air travel through Toronto Pearson will also continue to grow.



## SERVICES IN FLIGHT

Ontario's service sector – led by business and financial service providers, professional and technical firms, and arts and culture organizations – now accounts for about 80 per cent of the provincial economy. The sector has generated significant new employment over the past decade, even as the proportion of jobs related to goods production has fallen from 25 per cent to 20 per cent.

How does this affect Toronto Pearson? Studies show that the service sector, compared to the goods sector, spends about 23 per cent more on air transportation for each unit of output. So we can expect demand for business-related air travel to keep on growing steadily as the Ontario economy continues its competitive shift into areas such as research and innovation, health care and life sciences, specialized consulting services and higher education.

## 47.1M PASSENGERS

passed through Toronto Pearson in 2017, an increase of 6.2 per cent over the previous year. Once again, international traffic accounted for much of that gain, rising 8.0 per cent as our airport continues to provide more convenient, frequent and far-reaching connections around the globe.





Typical air freight consists of high-value goods. Two-thirds of air cargo handled at Toronto Pearson travels in the bellies of passenger aircraft – an amount that's expected to grow.

*Photo: Air Canada/Brian Losito*

## FREIGHT ON BOARD

Every day, about \$3 billion worth of goods travel into and out of the Toronto-Waterloo region, Canada's busiest transportation corridor. Much of that volume is imports and exports, primarily shipped by ground to and from the United States. But a significant volume is transported by air. Nationally, about 23 per cent of non-U.S. goods shipments are via airfreight. And nearly half of all international air cargo leaving or entering Canada passes through Toronto Pearson.

Air cargo has grown increasingly important with the rise of global supply chains, particularly for high-value products. Worldwide, only about 3 per cent of goods shipments travel by air, but they represent 35 per cent of trade value. This trend is clear at our airport, where high-ticket imports and exports include cellphones, pharmaceuticals, auto and aircraft parts, and specialized agricultural products.

About two-thirds of our air cargo is carried in the bellies of passenger aircraft; this will increase as we're served by wide-body planes with additional cargo capacity. Some of the freight we ship is trucked from the United States, while many of our inbound shipments carry on south of the border by road and rail. So as with the passenger side of our business, meeting the demand for efficient, reliable cargo services means playing a larger role in an integrated trade network that includes ground transport as well. As Canada boosts export activity to drive economic growth, we have a vital role to play – moving not just people, but products.



OUR NEIGHBOURHOOD

## THE MORE JOBS WE CREATE

Our airport creates about 49,000 direct jobs and supports the livelihoods of hundreds of thousands of people across the region – and that total is projected to reach 700,000 over the next two decades. We also help to grow employment nationwide by linking Canadian firms with markets, partners and investors around the globe.

## WE'RE IN THE ZONE

Toronto Pearson sits at the heart of the Airport Employment Zone (AEZ), where more than 300,000 people work for a wide range of commercial and industrial enterprises. The second-largest employment cluster in Canada after downtown Toronto, the AEZ spans an area of about 15,000 hectares where three fast-growing municipalities intersect. Businesses that see the value of being close to our airport – from hotels to freight forwarders to global corporations – already generate significant employment and economic growth. That impact will only grow as municipal and regional planners coordinate their efforts to foster a broader range of employment opportunities in the AEZ, from office-based management and research to logistics, light industry and utilities.

As detailed in our 2017–2037 Master Plan, the GTAA is working with government policymakers to encourage higher-density employment and develop desperately needed transit connections in the AEZ while helping to build a more complete and sustainable community. Over the past year, we joined fellow members of the AEZ Coalition – including most of the area's key employers and property owners – to advocate for improved transit access through social media, letters of support, and various community outreach and stakeholder events.

In the past, the sheer complexity of the area around Toronto Pearson – sprawling, multi-jurisdictional, with mixed land uses and layers of overlapping infrastructure – made it difficult to define as a distinct area for coordinated planning. That's changing. The communities of the western GTA are working together to build on the zone's economic vitality and global connectivity, mapping out a strategy that benefits all jurisdictions. In the year ahead, we'll continue to actively engage with the provincial and municipal governments, AEZ Coalition members and all interested stakeholders to help advance our shared goals.

## 95% OF AEZ EMPLOYEES

drive to work, making over a million trips daily. The result: more traffic jams, higher carbon emissions and a lot of unhealthy stress. The proposed regional transit centre at Toronto Pearson will help to alleviate this – while moving passengers more conveniently to and from our airport.



Strategic partnerships are good for the airport and the local economy: a direct transit link to Woodbine Racetrack, for example, will help cement the Toronto venue's reputation as a tourist destination and economic driver.

*Photo: Woodbine Entertainment/Michael Burns*



Toronto Pearson creates tens of thousands of jobs, with 1,600 GTAA employees in operational, technical, administrative and management roles.



## TAPPING INTO LOCAL TALENT

Contributing to the tens of thousands of jobs that Toronto Pearson creates, the GTAA employs approximately 1,600 people in operational, technical, administrative and management roles.

We're fortunate to have a rich and diverse talent pool at our doorstep, and we make deliberate efforts to draw from this pool when hiring. We start by nurturing relationships with local community organizations that can connect us with qualified job candidates from diverse backgrounds.

In 2017, we provided financial support to ACCES Employment through Toronto Pearson's [Propeller Project](#) and participated in one of the initiative's highly attended job fairs, which target skilled professionals and newcomers to Canada. We also participated in the local YMCA's annual job fair, as well as the Mayor's Youth Employment Expo in the City of Mississauga.

In addition, we developed relationships with Peel Multicultural Council, JVS Toronto, the Centre for Skills Development & Training, Careers in Aviation and numerous post-secondary institutions. We also continued to participate in the Military Employment Transition program.

In 2017, we deepened our commitment to developing "talent pipelines" by launching two new initiatives: we hired 19 university students into GTAA business units as part of a co-op program, and we welcomed five aspiring tradespeople into our new apprenticeship program. These programs are designed to provide young people with the skills and experience they'll need to succeed in their chosen careers – along with a taste of what it's like to work at Toronto Pearson.



Currently, only about 10 per cent of passengers and Toronto Pearson employees use public transit to access our airport. That volume will need to rise dramatically as we keep pace with growing demand for air connectivity. Our goal is to have 30 per cent of all passengers travel to and from Toronto Pearson via transit by 2037 – a target that many top-tier global airports have successfully achieved by incorporating ground transportation centres.

But getting air travellers moving better is just one part of a much bigger story. More than 300,000 people who now work in the Airport Employment Zone (AEZ) have few transit options and make their daily commute on roads that are perpetually clogged. A new transit centre will improve traffic flow throughout the region by better connecting communities around Toronto Pearson, and by facilitating more convenient and sustainable commuting across the heavily travelled [Northern Arc](#) of the Greater Toronto and Hamilton Area (GTHA). As with our [community investment](#) efforts, we're focusing in particular on priority neighbourhoods in Etobicoke, Mississauga and Brampton, whose residents are most affected by our operations – and who have much to gain from improved mobility and economic opportunity in the AEZ.

Like the other leaders in this collective effort, we know that superior ground transportation will advance both connectivity and productivity. The regional transit centre will make it easier for people to get to their current jobs or look for better ones. Employers in the growing AEZ will have greater access to the region's rich talent pool. And everyone who needs to connect with the wider world will be able to reach our airport more quickly and reliably.



By better integrating transit networks throughout the region, we can promote public transportation use – and reduce both traffic congestion and our carbon footprint.

## DESCRIBING AN ARC

As Toronto Pearson has taken on a more active role in helping to integrate regional transportation networks, we've sharpened our focus on the corridor urban planners call "the Northern Arc," which spans Vaughan, Richmond Hill, Markham and the upper part of North Toronto. Recent commuter studies in the GTHA show that of more than 100,000 daily trips between downtown Toronto and its western suburbs along the shores of Lake Ontario, 57 per cent are via public transit. By contrast, of nearly 200,000 trips along the Northern Arc, transit handles less than 9 per cent – and as little as 3 per cent in communities such as Markham.

The reason for this discrepancy is obvious: where transit is limited, people choose to drive. But it's equally clear that when they have viable options, as is the case in the western GTHA, they're pleased to escape traffic-jammed roads. Our proposed regional transit centre at Toronto Pearson will be ideally situated to offer Northern Arc commuters more efficient and less stressful alternatives to driving across the city – and help reduce our carbon footprint in the bargain.



## CATCHING THE BUS

As we've evolved our longer-term ground transportation strategy, we've also addressed a need for enhanced bus services at Toronto Pearson. In recent years, the Toronto Transit Commission (TTC), Mississauga's MiWay network, Brampton Transit and the provincially run GO Express system have all begun operating more frequent local services to and from our airport. And in April 2017, Greyhound resumed operations at Toronto Pearson, providing direct bus service to 10 cities in Southern Ontario and connections to more than 3,800 destinations across North America.

## 30% TRANSIT RIDERSHIP

is Toronto Pearson's goal for 2037. Today, only 10 per cent of passengers travel to and from our airport by public transit. By comparison, London Heathrow and Paris-Charles de Gaulle, which are about the same distance from their city centres, have riderships of 36 per cent and 40 per cent, respectively – while Hong Kong leads the world with 63 per cent.



The Southern Ontario Airport Network is optimizing the region's current air capacity while working to meet the demand of the future.

## STRONGER TOGETHER

Southern Ontario is poised for dramatic growth over the next three decades. As its population and economy grow, demand for air travel will follow.

Recognizing that no single airport will be able to support the forecasted demand alone, Toronto Pearson and 10 of the region's most commercially significant airports launched the [Southern Ontario Airport Network](#) (SOAN) in 2017. Our goal is to develop a more integrated air transportation network, optimizing current capacity and coordinating investments to meet growing demand in Ontario's industrial heartland.

Over time, we anticipate that there will be an evolution and specialization of airport roles consistent with how other multi-airport regions around the world have developed – for example, in Los Angeles, New York and London, England.

While it will take decades to achieve our long-term goal, we've established three priorities for the next five years:

- Raise awareness and profile of the SOAN airports.
- Promote Southern Ontario with the goal of attracting greater tourism, trade and foreign direct investment.
- Develop a common database that will allow all airports to understand the future needs of this growing region and identify air service development opportunities.

Our partners in SOAN are Billy Bishop Toronto City Airport, John C. Munro Hamilton International Airport, Kingston/Norman Rogers Airport, Lake Simcoe Regional Airport, London International Airport, Oshawa Executive Airport, Niagara District Airport, Peterborough Airport, Region of Waterloo International Airport and Windsor International Airport. As a network, we also engage with Transport Canada to understand its plans for a potential future airport in Pickering.

You can learn more about our efforts at the SOAN website: [www.soairportnetwork.com](http://www.soairportnetwork.com).



OUR NEIGHBOURHOOD

## THE BETTER WE ENGAGE

As a top-tier airport connecting to the global economy, we're helping to create jobs, attract investment and drive growth. But positive impacts can also raise concerns. So we engage with our communities to hear their views and talk about how we can balance priorities to yield the best possible benefits – for everyone.

## MANAGING NOISE

One of the realities of a conveniently located airport is that nearby communities experience a certain amount of aircraft noise. Much can be done to minimize the impact, from improving aircraft technology to carefully managing flight patterns and procedures. Toronto Pearson has been a leader in this area, working with air carriers and our other operations partners to mitigate both the level and frequency of airport-related noise. We also invite residents of nearby communities to ask questions and express concerns at regular public meetings of the [Community Environment and Noise Advisory Committee](#) (CENAC).

Toronto Pearson has a comprehensive noise management program to help offset and reduce the impacts from routine operations. We formally review the program every five years and produce a new action plan mapping out how our noise management activities will continue to evolve. In December 2017, following two years of consultations with aviation experts and extensive engagement with our neighbouring communities, we released the latest of these strategy documents, [Growing Responsibly: 2018–2022 Noise Management Action Plan](#).



The plan outlines 10 commitments and the concrete actions we'll take to fulfill them:



### **1. WE WILL COLLABORATE BETTER AS AN INDUSTRY.**

Working closely with NAV Canada, Transport Canada, our airline partners and other stakeholders, we'll look for further ways to reduce noise while ensuring that community residents have a clear understanding of our respective roles, responsibilities and accountabilities.



### **2. WE WILL WORK SMARTER WITH OUR COMMUNITIES.**

We'll identify new ways for our neighbours to provide input, encouraging wider community involvement as we address noise challenges together. This includes reviewing the goals, membership and governance of CENAC to ensure it meets residents' needs and expectations.



### **3. WE WILL PROTECT OUR NEIGHBOURS.**

We're exploring programs to fund noise insulation in some residents' homes, as well as air conditioning systems in area schools. We'll also work with municipalities on stricter zoning requirements, and with realtors to promote better understanding of noise impacts.



### **4. WE WILL HELP OUR NEIGHBOURS SLEEP BETTER.**

We're exploring changes to Toronto Pearson's Night Flight Restriction Program to reflect global best practices. A review of our nighttime Preferential Runway Program will ensure aircraft are flying over as few people as possible. And we're revisiting night landing fees.



### **5. WE WILL HAVE CANADA'S QUIETEST FLEET.**

Our new Quieter Fleet Incentive Program, which encourages airlines to bring their quietest aircraft to Toronto Pearson, will be in place by 2019. We'll also be reporting on individual airlines' noise performance. And we're working with NAV Canada to identify flight paths that will reduce noise over some communities.



### **6. WE WILL DO MORE TO UNDERSTAND OUR IMPACTS.**

Toronto Pearson will be a noise research leader. We'll improve our complaint process to allow deeper analysis of individual concerns and will publish a quarterly trends analysis. We'll also report on data from our 25 Noise Monitoring Terminals, identifying issues and suggesting opportunities to mitigate and manage them.



### **7. WE WILL LIMIT SURPRISES.**

Our airport is a dynamic environment, and sometimes we need to do unexpected work or alter runway operations. We want our neighbours to be fully informed about what we're doing and how it may affect them. Plans include a new noise management website and a multi-channel construction communications protocol.



### **8. WE WILL CONTINUE TO TAKE CARE OF THE ENVIRONMENT.**

Toronto Pearson's environmental team focuses on climate change, resource management and sustaining a healthy planet. Supported by a best-in-class environmental management system, we'll continue working to mitigate our impacts, ensure regulatory compliance and be a responsible neighbour.



## 9. WE WILL LIFT UP OUR COMMUNITIES.

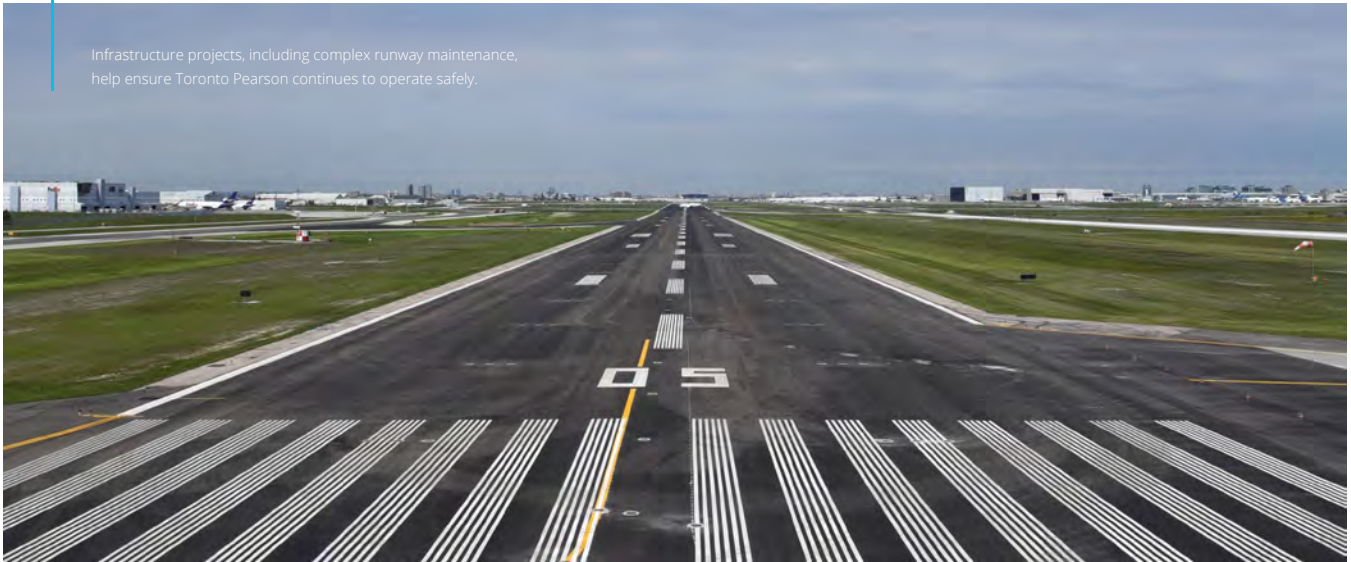
The GTAA will continue to support regional growth, including working with all levels of government to advance the proposed regional transit centre at Toronto Pearson. And we'll deepen our commitment to boosting economic vitality through our community investment program, the Propeller Project.



## 10. WE WILL ALWAYS LOOK FOR OPPORTUNITIES TO IMPROVE.

We'll continue to connect regularly with our neighbours so we can better understand their concerns and discuss our operational decisions and constraints. We'll provide an annual update on the Noise Management Action Plan. And at the end of five years, we'll review our progress and identify new initiatives for the next plan.

Infrastructure projects, including complex runway maintenance, help ensure Toronto Pearson continues to operate safely.



## RUNWAY CONSTRUCTION AHEAD

We routinely close Toronto Pearson's runways for brief periods – during snow removal and anti-icing, for instance, or to make minor repairs. In late March 2017, we began a larger-scale project: the rehabilitation of Runway 05/23, our airport's busiest. The round-the-clock job entailed extensive renovation and repaving. Crews also reconditioned 1,000 lights and repainted 420 kilometres of markings.

This complex engineering project was completed on time in mid-May, ahead of the busy summer season. We even managed to include an extra construction phase originally slated for fall. However, the project did have a significant impact on flight schedules, in some cases disrupting people's travel plans. Moreover, when flights that normally use the east/west runway were shifted to north/south alternatives, some nearby neighbourhoods experienced unfamiliar levels of air traffic.

We undertook this infrastructure project to ensure Toronto Pearson continues operating safely. However, in hindsight we recognize that we could have done a better job of informing the public about the work and its potential impact. We've therefore developed a new construction communications protocol.

As this annual report is being finalized, we're about to begin resurfacing another busy runway, 06L/24R. The work will be far less disruptive, as it's being conducted at night. Just as importantly, 90 days ahead of the start date, we launched an intensive communications campaign that includes web updates, e-newsletters, social media, press releases, newspaper ads, robocalls, messaging for passenger service staff and briefings for elected officials and the media. We've brought the spirit of continuous improvement that drives all of our operations to rethinking how we can best keep our neighbours engaged and informed.

## 2,500+ COMMUNITY MEMBERS

completed our 2017 *Survey on Airport Growth and Noise Fairness*, which was sent to 20,000 randomly selected homes across the GTA and was also available online for any resident to complete.





## LISTENING TO RESIDENTS

One of the foundational pieces of our 2018–2022 Noise Management Action Plan for Toronto Pearson was the final report of the Residents' Reference Panel on Airport Growth and Noise Fairness.

After gathering input from more than 2,500 GTA residents through our 2017 *Survey on Airport Growth and Noise Fairness*, we undertook a unique effort to hear from a cross-section of residents living throughout the region. A 36-person Residents' Reference Panel was assembled to advise us on the measures, standards and commitments we should adopt to meet community needs and support regional growth. Panellists were randomly selected through a civic lottery, although communities closest to the airport were given the greatest representation.

**“It was an eye-opening learning experience. I liked being able to share my opinion and have it appreciated. All opinions were needed, and it was okay to disagree. Most of my position centred around more transit and making better links between Toronto Pearson and the other airports.”**

**Joanne de Cloe**, Residents' Reference Panel member



Over the course of four Saturdays, the Residents' Reference Panel heard from more than 20 experts and guests, including local community groups. They used what they learned, along with the findings of the noise-fairness survey and their own experiences, to develop recommendations for our consideration. The overarching sentiment was that Toronto Pearson needs to raise its game and act as a leader in noise management as we continue to support growing demand for air travel in the region.

Among the panel's recommendations:

- Provide incentives for airlines to retrofit current aircraft or switch to quieter planes.
- Adopt more night flight restrictions, including a new formula for managing such flights.
- Explore other options to mitigate noise, such as a home insulation program for affected households. A noise sharing program should only be pursued if the respite it provides to communities is meaningful and predictable.
- Improve coordination between the GTAA, NAV Canada, Transport Canada and airlines.

The panel's [final report](#) and the results of the [Survey on Airport Growth and Noise Fairness](#) are posted on our website.

## WHO DOES WHAT IN NOISE MANAGEMENT

**The GTAA** develops and manages the Noise Management Program at Toronto Pearson and explores new opportunities for noise mitigation.

**NAV Canada** is the air navigation provider responsible for safe and efficient movement of aircraft in Canada and for assigning runways at Toronto Pearson. We're partnering with NAV Canada on various projects, including the [Noise Mitigation Initiatives Engagement Plan](#), which looks at six big ideas for reducing noise impact.

**Transport Canada** is the regulator for aviation in Canada, with responsibility for enforcing compliance with noise standards and restrictions.

**Air carriers** are responsible for conducting operations in accordance with Transport Canada regulations and Toronto Pearson's Noise Abatement Procedures and Noise Operating Restrictions.

**The Community Environment and Noise Advisory Committee (CENAC)** – sponsored by the GTAA and comprising residents and elected representatives from local municipalities – is an ongoing forum for discussing and asking questions about noise and other environmental issues. See [Stakeholder Engagement](#) to learn about CENAC's 2017 discussions.





OUR NEIGHBOURHOOD

# THE MORE WE INVEST IN PEOPLE

The GTAA is committed to investing 1 per cent of annual net revenue in support of community organizations across our region. In 2017, that translated into nearly \$800,000 distributed through our funding program, the Propeller Project, which focuses especially on employment support in neighbourhoods around our airport.

## \$100,000 CHARITY RUN

Toronto Pearson's 10th anniversary Runway Run attracted more than 2,000 participants in a five-kilometre run and a two-kilometre walk, raising \$100,000 for community programs.

## GOOD WILL FUNDING

Toronto Pearson's community investment program, the Propeller Project, supports a wide range of efforts to build stronger communities and advance social good. We've created two main funding channels with distinct but complementary goals:

**The Uplift Fund** helps unemployed and underemployed people in nearby neighbourhoods – and around the region – gain the skills, connections and opportunities they need to find more meaningful jobs and potential careers. Funding is directed toward three main areas: (1) *research* into issues such as barriers to youth unemployment; (2) *advocacy*, including a digital campaign challenging employers' perceptions of young people; and (3) *programming*, such as an initiative with Scientists in School that creates clubs promoting STEM (science, technology, engineering and math) education among underserved youth.

In 2017, the Uplift Fund invested about \$430,000 in initiatives that had a direct positive impact on 60,000 community members.

**The Nest Fund** supports programs and organizations that are working successfully to build healthier, more resilient communities – and with our help could create additional benefits. Here, too, we've identified three key areas of focus: (1) *environmental* initiatives, such as the Shoreline Saver campaign that inspires hundreds of local volunteers to join in a cleanup of the Credit River watershed; (2) *employment* catalysts, such as a series of job fairs and employer events to help recent immigrants with underutilized skills gain traction in Canada; and (3) *community vitality* programs like A Common Table, run by MABELLEarts in Etobicoke, which brings together newcomers, refugees and established residents to celebrate the community's public spaces, cultural events and summer arts activities.

Last year, the Nest Fund invested nearly \$370,000 in community initiatives that engaged and benefited more than 7,000 people.



Through the Propeller Project, Toronto Pearson supports efforts to strengthen communities and advance social good.

Photo: Liam Choo



## HELP WHERE IT'S NEEDED MOST

The Propeller Project is the GTAA's signature community investment program. We work to ensure it meets the highest-priority needs of local communities while aligning with our own values and priorities.

In 2016 and 2017, we undertook a study to find our *sweet spot* – that is, where Toronto Pearson could have the greatest social impact. The answer: later-stage newcomers to Canada. These are people who have been in the country for three years or more, and for whom support from social service agencies has dropped off. Business leaders told us their companies need the skills and capabilities many newcomers bring, but they're unable to provide the necessary wrap-around support.

That's where the Propeller Project comes in. While we've actively supported youth employment in recent years, in the future we intend to focus more on helping later-stage newcomers gain the skills, connections and opportunities to be meaningfully employed in communities around our airport and beyond. To help build the program and keep us on track, we've established an External Champions Council comprising 20 local business and community leaders.







## WHERE WE GAVE

Here are some of the programs Toronto Pearson's Propeller Project supported in 2017:

**Scientists in School** – In addition to sponsoring a career research study, we're partnering on a three-year program that brings scientists into 25 schools to discover and promote STEM-related career pathways and opportunities for youth.

**CivicAction Escalator Program** – This was the second year of a program that studies barriers to employment for marginalized youth. Part of the program involves building a toolkit and assessment tool for employers to check their own biases and barriers to youth employment.

**Institute for Canadian Citizenship: 6 Degrees** – This program aims to drive the global conversation on diversity and inclusion. We support the 6 Degrees–Toronto Pearson Youth Cohort, a group of 15 dynamic leaders, aged 18 to 29, who are committed to building a more inclusive city. The group led an exceptional event at Humber College to discuss the challenges of youth employment in the GTA, beginning with intimate conversations and concluding with an interactive 360-degree session involving invited experts.

**ACCES Employment** – We supported a series of job fairs and employer events aimed at highly skilled newcomers in Mississauga and Brampton.

The better we move

# OUR AIRPORT

People, baggage, cargo, aircraft – our priority at Toronto Pearson is to keep everything moving quickly and smoothly. That means constantly enhancing systems and processes to benefit from smart technologies and human-centred design. Helping all of our partners in airport operations work together efficiently toward common goals. Providing the highest-quality passenger experience, with attractive amenities on offer in a safe, supportive environment. And doing it all as sustainably as possible.



# THE CONNECTED CITY

**An airport is not just a way to get from A to B, writes Sevaun Palvetzian, CEO of CivicAction. It can help build stronger, connected communities and take social change to new heights.**

We think about passing through an airport in the same way we think about booking a flight or checking into a hotel: it's a means to an end, marking the start or finish of what we hope will be a rewarding journey.

But the fact is we expect far more from an airport than a smooth trip through security and a convenient smartphone charger near the gate (so we can make our obligatory social media posts). An airport doesn't just link two points on a map; it connects people to opportunities, and ideas to action. And when it's a global hub like Toronto Pearson, those connections happen on a scale that drives employment and economic growth – not just in our region, but across the country.

Every time an airline launches a new daily international service at Toronto Pearson, it adds an estimated \$50 million to the economy and facilitates about 400 jobs – equivalent to a good-sized manufacturing plant. This means a flight to some distant corner of the globe we may never visit ourselves has a huge impact right here in our own backyard.

So in a globally connected, increasingly complicated world, we need to be paying more attention than ever to what's going on in our own city, and the challenges we face together. And what's become clear, in this new era of city building, is that true leadership means getting as many leaders as possible around the table to solve problems.

The people at Toronto Pearson understand this. The fact that Canada's largest airport sits at the centre of the second-largest employment cluster in the country is not an accident of geography. It's a testament to the power of connectivity. And with it comes a new level of responsibility.

The GTAA has joined other corporate supporters of CivicAction in funding our Escalator program, which helps connect youth who traditionally have not been given a boarding pass to join our labour market.

Over the past two years, we've made significant progress in finding both jobs and mentorship opportunities for young people in communities around the airport. We're also providing employers with resources and self-assessment tools to help them improve their track record on hiring and retaining local youth.

Right now, over 80,000 young people in the Greater Toronto Region are in limbo: out of school, unemployed, with no sense of how they can contribute. They're disconnected from the economy – and it ultimately will cost the province \$1 million for each person who stays that way.

Getting these young people connected is just as important as linking the Greater Toronto Region to 70% of the global economy, which flights in and out of Toronto Pearson are doing every day. In fact, we're really talking about two sides of the same imperative – because the more our economy thrives, creating jobs and boosting social well-being, the more attractive our region becomes to industry leaders and entrepreneurs around the globe looking for the best places to invest and do business.



## SEVAUN PALVETZIAN

Sevaun Palvetzian, the CEO of CivicAction, is an expert on civic engagement who focuses on inclusive cities. Through CivicAction and her roles with the Ontario Public Service, she has advocated for new voices at tables of influence. An authority on urban issues, Sevaun frequently speaks to the media and is a member of groups like the Premier's Community Hubs Advisory Group and Waterfront Toronto.

For a variety of reasons, the world has chosen to gather here. More than 50 per cent of our population was born outside Canada, making this one of the most multicultural urban regions on earth. We need to ensure it's also one of the most equitable. Here, too, Toronto Pearson has a contribution to make – alongside other corporate standard-bearers, as well as social enterprises, public agencies, educational institutions and other stakeholders.

And as always, it starts with including everyone in the conversation. For CivicAction, that means bringing together senior executives in the public and private sectors with emerging leaders from diverse constituencies whose voices need to be heard. The challenges we tackle range from mental health to early childhood development to building sustainable infrastructure. And the theme running through everything we do is the need for dynamic, empowered and inclusive leadership.

The city-region we're building together is connected to the wider world. Most of us have come from somewhere else. We fly back to visit family and friends, or invite them to come and see the lives we're creating here. Travelling alongside us are businesspeople looking for new markets or sources of supply. Innovators seeking partners to help develop their technologies. Companies willing to invest and create jobs in our region. Students coming to expand their horizons, or venturing abroad for the same reason. And countless people who are simply curious to know our city better – or to discover a very different one on the other side of the planet.

The point of convergence for all of these journeys, the hub connecting us to the rest of the world, is Toronto Pearson. It's the front door to a great city, a great region and a great country. And it's a key to making them even greater. Our global hub, like our community, is a place where everyone is moving toward some new possibility – and no one is simply passing through.





OUR AIRPORT

## THE SMOOTHER THE FLOW

Making sure passengers move effortlessly from curb to gate doesn't depend on a single factor. It's everything – from flexible digital signage to convenient check-in kiosks to intelligent baggage systems. Whether we're making lounges more comfortable or workspaces more accessible, we design with people in mind.

## BAGGAGE: IT'S ONLY HUMAN

A critical component of airport flow, alongside passengers and aircraft, is baggage. At Toronto Pearson, efficient bag handling comes down to three factors: people, systems and processes. We've focused on the latter two in recent years, investing in advanced technologies to move bags quickly through our terminals, and facilitating data sharing with carriers to make it easier to process and track luggage from check-in to the aircraft hold – or from the apron to the arrivals-area carousel. We've also built a new transfer facility in Terminal 1 to handle the growing volume of bags that shift from one aircraft to another as millions of travellers connect through our airport. As a result, we've seen significant gains in handling speed and accuracy. But there are still further opportunities to improve performance. So over the past year we've concentrated on the third key ingredient: people.

Baggage processing at Toronto Pearson involves a coordinated effort among many players. Air Canada, our highest-volume carrier, manages its own handlers. Four specialized companies provide contract services to most other airlines. All processing of bags must be coordinated with the Canadian and U.S. agencies responsible for security, customs and border control. And then there are the various support services offered by the GTAA.

A new transfer facility is helping Terminal 1 handle a growing volume of passenger luggage – as millions connect through Toronto Pearson each year.



When we looked at our own role in the baggage process, we saw opportunities to coordinate decision-making among three distinct groups: Aviation Services, Technical Services and Information Technology. We've appointed a single director of baggage services, along with associate directors for each terminal who oversee operational teams with embedded technical and IT staff. Through collaborative problem-solving and decision-making, and by viewing challenges through the lens of human-centred design, these leaders gained insights that have prompted a complete reimagining of how we plan and manage baggage handling at our airport.

We began by taking a fresh look at the entire process through the eyes of the people who actually move bags. They told us how their work environment could be better organized to facilitate flow, making recommendations on everything from more consistent and intuitive signage to improved workstations and lighting. For the first time, managers began sharing details of the performance standards set by the airlines, seeking input from front-line employees on how best to meet them. Through rapid prototyping and testing, teams were able to narrow down what information was most salient and collaborate on designing better solutions.

This new human-centred approach is still gaining momentum. But combined with the improvements we've made to systems and processes, it's already had a transformative impact: the number of baggage-related issues reported in 2017 was down by more than 90 per cent from the previous year. And as we continue to add incremental improvements, the progress we're making in baggage handling provides a model for other collaborative efforts across Toronto Pearson.

## 650 DIGITAL DISPLAYS

were added to Toronto Pearson's flight information and wayfinding signage systems in 2017 to help passengers navigate our terminals more easily than ever.

## 295 CHECK-IN KIOSKS

reduce wait times in our terminals, including 25 new units added in 2017. We've also nearly doubled the number of convenient self-service baggage drops to 46, benefiting 80 per cent of our departing passengers.



The Toronto Pearson Safety Team collaborates with peers at other Canadian airports to promote passenger and employee safety around the country.

## JOINING FORCES FOR SAFETY

Canada's airports joined forces in October 2017 to strengthen safe and healthy work practices among their employees. By encouraging discussion and involving all airport workers, we ensure that the safety of passengers and employees is always top of mind.

Twenty-nine airports participated in Canadian Airports Safety Week, which is led by the Canadian Airports Council. The Toronto Pearson Safety Team organized themed discussions and activities aimed at raising employee awareness around worker safety, airside safety, security, foreign object debris, and environmental safety and hazard reporting. Airside Safety Week, which took place at the same time, promoted safety in baggage roadways, staged mobile equipment "rodeos" to test driver skills and gave airport employees opportunities to ride along with Airside Safety Officers.

## LOCK THEN WALK

Together with the security agencies at Toronto Pearson, we launched the Lock Then Walk program to further embed security practices in the way we work. It's aimed at preventing unauthorized access to restricted zones, customs-controlled areas, fleet vehicles and gates.

Through posters, stickers and newsletter articles, the program reminds employees to stay aware of their surroundings at all times – to make sure that doors are properly shut and secured behind them, and not to allow anybody else to enter behind them after they've unlocked a door using a Restricted Area Identity Card.

Lock Then Walk also encourages staff to be mindful of passengers who inadvertently make a wrong turn or follow an employee through an open door. This could result in a customs breach, which could then cause the passenger to miss their departure – or require all passengers in the affected sector to be rescreened.



Embedded security practices keep the airport safe, while helping passengers make their connections. Our Lock Then Walk program promotes a security culture through posters, stickers and articles.



## INTRODUCING MAGNUSCARDS

Toronto Pearson has improved accessibility for passengers with cognitive special needs by offering MagnusCards – a free app with card decks that provide step-by-step instructions for common airport processes. We're the first airport in the world to participate in the program, demonstrating our strong commitment to ensuring universal access for all passengers.





OUR AIRPORT

## THE CLOSER THE TEAMWORK

How do you get 49,000 people employed by 470 organizations to work even better together? By making it easier to collaborate toward common goals. By listening closely to employees, learning what engages them and benefiting from their experience. And by tapping into the deep sense of pride that comes with working at one of the world's great airports.

## I AM TORONTO PEARSON

It started out modestly in 2016 as a campaign that tapped into the pride of Toronto Pearson employees who were working each day to give passengers the best possible airport experience. By the end of last year, it had grown into a genuine grassroots movement, with 10,000 people and more than 300 companies actively endorsing the values and aspirations summed up in a simple slogan: *I am Toronto Pearson*.

For everyone working at our airport, in every kind of role – from check-in agents and baggage handlers to security screeners and sous-chefs – there are endless opportunities to make a positive difference in travellers' lives. Whether directing a vacation-bound family to their departure gate or welcoming newly arrived immigrants to Canada, Toronto Pearson employees feel increasingly empowered to reach past their official job descriptions and ask, "How can I help?"

Some 49,000 people are directly employed at our airport in every type of enterprise, public and private, large and small. What the success of *I am Toronto Pearson* shows is that for many, coming to work each day is not just about earning a paycheck. As more and more organizations embrace the campaign, designating in-house ambassadors to spread the word, they typically find that their own people are already ahead of them, talking about ways to get everyone engaged. This is how we're transforming our airport into a top-ranked global hub: through countless small offers of help to the 47 million passengers a year (and counting) who are ultimately the judges of whether we've achieved our vision.

Nearly 50,000 people work at Toronto Pearson, including Canadian Air Transport Security Authority employees helping Terminal 1 passengers get to their gates safely and on time.

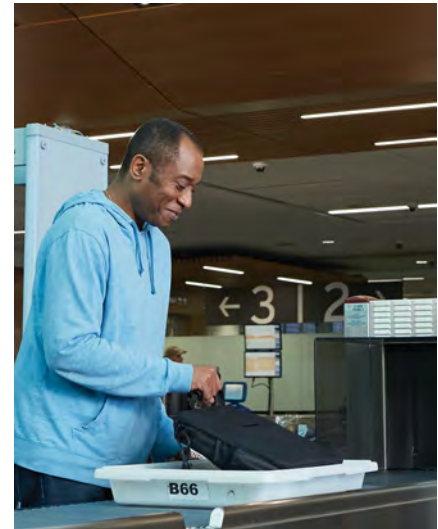


## A GENUINE PLUS IN SECURITY

In June 2017, the Canadian Air Transport Security Authority (CATSA) unveiled new security lines in the U.S. departures area of Terminal 1 that are designed to help passengers proceed more quickly to their gates while ensuring a safe, secure screening process. Called CATSA Plus, the enhanced system has a number of efficiency-boosting features, including:

- A series of electronic gates and sensors that automate boarding pass validation and guide each passenger into the most efficient line. The technology also collects data on processing times.
- Parallel bin stations allowing four passengers at once to place their belongings in inspection bins. People who load their items quickly can move ahead of those who need more time.
- A continuous flow of bins through the X-ray machines, where images are routed to the next available officer at one of several remote viewing stations. Any bin requiring further screening is automatically redirected to a separate search line. Bins that are cleared proceed without delay, improving overall flow.
- More space at the end of the line, along with tables and benches, where passengers can repack their belongings without feeling rushed.
- Automatic bin return, so officers don't need to keep carrying them back to the start of the line.

CATSA Plus lives up to its name, adding a new level of efficiency to security screening at Toronto Pearson. New lines were opened in Terminal 3 in December, and more will be rolled out in 2018. And we continue to partner with CATSA on adding further conventional lines to process more passengers more quickly while maintaining the highest security standards.



*Photo: Laura Arsie*

## AUTOMATING THE BORDER

**98 PER CENT** of all U.S. and international passengers arriving in Terminal 3 can now use 104 primary inspection kiosks to clear customs electronically.

**82 AUTOMATED PASSPORT CONTROL KIOSKS** enable U.S.-bound passengers to clear U.S. Customs in Terminal 1.

**50 AUTOMATED BORDER CLEARANCE KIOSKS** speed up arrivals for Canadian citizens and U.S. passport holders in Terminal 1.

**47 GLOBAL ENTRY KIOSKS** allow Nexus and Global Entry program members to pre-clear U.S. Customs in both terminals.

**30 NEXUS KIOSKS** serve Terminal 1 passengers enrolled in the U.S.-Canada trusted traveller program.

**ONE-STEP PRE-CLEARANCE** has eliminated declaration cards for most passengers going through U.S. Customs.

A 2018 pilot with the **CANADA BORDER SERVICES AGENCY (CBSA)** will use kiosks to process passengers connecting between two international/U.S. destinations.

## RAISING THE LEADERSHIP BAR

We're proud to partner with the Ivey Academy Education at Western University to deliver an executive leadership program for our 80 directors and associate directors. The program equips senior leaders with tools and insights to help them drive strategic clarity, lead people effectively and influence innovation and change in our organization.

As part of the course, participants work in teams to develop solutions to real GTAA business problems. So far, they've tackled issues such as how to improve the passenger experience on an extended layover, how to reduce paper consumption and how to leverage collaboration technology to increase interaction and connectedness among colleagues across the GTAA.

We've also launched the first-ever GTAA Management Trainee Program, aimed at future managers who are currently in front-line roles. Participants in the 18-month program rotate through three consecutive six-month terms in three different operating units. In addition to training, the program gives them valuable operational and leadership experience. With 30 people applying for just a handful of available positions, we needed a rigorous management assessment and interview process to select the first cohort.



In partnership with Ivey Executive Education at Western University, in London, Ontario, we are investing in senior leadership tools and insights to foster innovation and change.



## PEOPLE MANAGER FUNDAMENTALS

When GTAA employees told us that having a capable and supportive manager makes a big difference to their success on the job, we pulled together a People Management Action Team to help build the know-how, skills and confidence of our people managers.

From this, the People Manager Fundamentals curriculum was created to promote a consistent understanding of what good management looks like at the GTAA. The program brings participants together with their peers to gain knowledge, practice new approaches and understand the importance of their roles. We started with 12 classroom and e-learning courses in 2017, and we plan to add more courses in 2018. To date, 180 people have been through the curriculum, which includes about 40 hours of coursework.





OUR AIRPORT

## THE COOLER THE EXPERIENCE

Toronto Pearson is constantly evolving. Adding new shops and restaurants. Expanding and enhancing services. Providing fun diversions that also bring new revenue. And transforming the passenger experience from simply waiting for the trip to start to feeling that a memorable journey has already begun.

## IT PAYS TO INVEST IN PASSENGERS

Creating a relaxing, enjoyable passenger experience attracts more tourist and business travellers to Toronto Pearson, which benefits the entire region. It also pays tangible dividends that we can reinvest in our facilities to keep pace with growing demand. Our fastest-growing source of income continues to be non-aeronautical revenues (NAR) – primarily generated from parking and ground transportation fees, retail and dining concessions, and rent paid by air carriers for check-in counters and kiosks. In 2017, NAR grew to an all-time high of just over \$450 million, up 9.2 per cent from the previous year.



Enhanced shopping and dining options improve the overall passenger experience, while supporting investments in the safety and comfort of Toronto Pearson facilities.

Parking fees currently represent the largest source of NAR at Toronto Pearson, but we expect that to change. For example, as ride-sharing services continue to grow in popularity, we'll no doubt see a shift in driving patterns and parking usage – along with new revenue from these ground transportation providers comparable to the fees we now receive from limo and taxi operators.

Another area of NAR growth is advertising and sponsorships, which currently generate about \$28 million annually – a rate of revenue per passenger that places Toronto Pearson in the top tier of North American airports. We expect that figure to rise as we forge additional brand partnerships and continue to enhance our award-winning digital communications platform.

In 2017, NAR accounted for about 33 per cent of Toronto Pearson's total revenues. Our objective is to continue increasing that proportion over time. As points of comparison, NAR contributes more than half the annual revenues of Amsterdam-Schiphol and over 70 per cent at Hong Kong International. By leveraging our proven strengths in dining and retail (especially duty-free) – and by pursuing innovative strategies in how we develop and promote our airport to a global marketplace – we'll be better positioned than ever to keep carriers' costs down, maximize the value of existing assets and make whatever future investments may be needed to keep pace with demand.

## 28 NEW DINING AND SHOPPING LOCATIONS

opened at Toronto Pearson in 2017: six retailers and five food-and-beverage providers in Terminal 1, and 11 shops and six restaurants in Terminal 3.

### #1

In 2017, *USA Today* readers voted Toronto Pearson the Best Airport Shopping Platform in North America.



International passengers can sample poutine and other Canadian classics from a local food truck – just one of the many culinary experiences now available at Toronto Pearson.

## LOCAL FOOD GOES GLOBAL

Many of the dining experiences we create at Toronto Pearson are designed to showcase the best of our region to a global audience and entice visitors into further culinary adventures in our backyard. For example, in 2017 we enhanced our Terminal 3 offering with a food hall featuring three restaurants based on established venues in the Distillery District, one of Toronto's most popular tourist destinations. Passengers get a taste of what's available in the historic neighbourhood of restaurants, bars, galleries and boutiques, and can enjoy more when they head downtown – or on their next visit.

In a similar vein, the Terminal 3 international departures area is now home to a food truck, Smoke's Poutinerie, which serves Canadian classics such as poutine on a licensed patio in the pre-security zone. Meanwhile, work has begun on further enhancements to our extensive amenities in Terminal 1, including new dining concepts and luxury retail shops in the domestic departures area, and a range of food-and-beverage options to better serve U.S.-bound passengers.



OUR AIRPORT

## THE HIGHER THE QUALITY

When it comes to airports, better is in the eye of the traveller. Easy connections. Minimal wait times. Friendly service. Speedy baggage delivery. Helpful signage. Free WiFi. Great dining options. Plenty of seating. Toronto Pearson passengers tell us what matters most to them. And they rank us first in North America among comparably sized airports for all-round quality.

### #1 FOR QUALITY IN NORTH AMERICA

That's the ranking Toronto Pearson has earned, among airports serving more than 40 million passengers annually, in the 2017 Airport Service Quality (ASQ) passenger satisfaction survey.

## PASSENGERS' VERDICT IS IN

Every year, Airports Council International conducts a worldwide passenger satisfaction survey as part of the Airport Service Quality (ASQ) program. The benchmark study measures 10 key quality indicators, from retail and dining amenities to the availability of basic services such as baggage carts. In 2017, Toronto Pearson received its highest score yet – 4.31, up from 4.25 in the previous year. That places us ahead of all other airports in North America serving more than 40 million passengers annually. We're also ranked higher than comparable hubs across the Americas, Europe, Africa and the Middle East, with only a few industry-leading airports in Asia receiving higher overall ratings.

Our record score reflects gains in nine of 10 quality categories, which attests to the continued success of our customer service initiatives across the board. What's more, the ASQ program's approach aligns with our belief that the best judges of service quality are the people who experience its impact firsthand. This annual survey is just one part of an ongoing conversation with Toronto Pearson passengers, who last year communicated their comments, advice and concerns to us through 144,000+ phone calls, 30,000+ emails, 62,000+ Tweets and 300,000+ interactions with customer information kiosks. From suggestions on signage and device charging stations to ideas on how we can improve various airport features or services, we welcome passenger feedback, take it to heart – and act on it.



Retail and dining amenities are among the 10 key quality indicators the Airports Council International considers as part of its Airport Service Quality Survey.







OUR AIRPORT

## THE LOWER THE IMPACT

As we respond to all the ways the world is changing, we never lose sight of the environmental changes that are clouding the future. Across Toronto Pearson, we're working together to save energy, use water wisely, better manage waste and fulfill our commitment as an airport that's here to serve not only people, but the planet.

### 32 PUBLIC EV CHARGING STATIONS

are now available at convenient points around Toronto Pearson for passengers, employees and community members who drive electric vehicles.

## PLUG-IN ENERGY SAVINGS

In March 2017, we activated 32 electric vehicle (EV) charging stations at Toronto Pearson, including in the parking garages of both terminals and in a cellphone lot for people waiting to pick up arriving passengers. Supported by \$2.6 million in funding through the provincial Ministry of Transportation, it's one of the largest single installations in a major energy-saving program sponsored by the Government of Ontario. The chargers, which are available for free and include 10 high-speed Level 3 units, have also been placed in the GTAA administration building parking lot to support energy-conscious drivers. The public-facing initiative complements an even more extensive network of about 80 chargers already in use by electric baggage tugs and other service vehicles on the airside of Toronto Pearson operations.

This is just the latest of many collaborations between the GTAA and the Toronto and Region Conservation Authority (TRCA) – our co-founders, in 2008, of [Partners in Project Green](#), a business-led community dedicated to creating the world's largest sustainability-focused industrial and commercial zone around Toronto Pearson. Reinforcing the partnership's commitment to enhancing energy performance, the EV charger initiative has many dimensions of impact, including:

- encouraging more community members to use electric vehicles
- making local roads and neighbourhoods healthier
- helping people save on fuel, operating and maintenance costs
- reducing greenhouse gas emissions
- contributing to Ontario's long-term Climate Change Strategy.



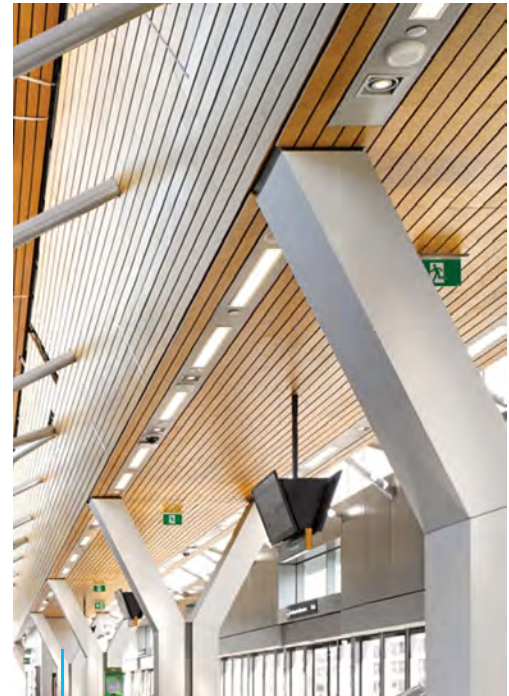
With the support of the Ontario government, we have completed one of the province's largest installations of electric vehicle charging stations to help serve energy-conscious passengers.

## DOING OUR PART ON CLIMATE

While our continued growth adds to the challenge of reducing greenhouse gas (GHG) emissions, we're making strong inroads. We've reduced our GHG emissions by 54 per cent from 2006 levels, well ahead of our goal of a 20 per cent reduction by 2020.

Switching to energy-efficient LED (light-emitting diode) lighting has been a big part of our success so far. In 2017, we completed LED lighting conversions in all baggage areas, replacing about 12,000 lights this past year alone. We installed LED lighting, with controls that adjust to the time of day, in the tunnels that connect our airport's infield and terminal spaces. We also installed 10,000 new LED tubes in all non-passenger-facing areas of Terminal 1, a change that increases brightness by 20 per cent while using 30 per cent less energy. In total, our 2017 lighting projects will save about five million kilowatt-hours per year – enough energy to power 500 Ontario homes.

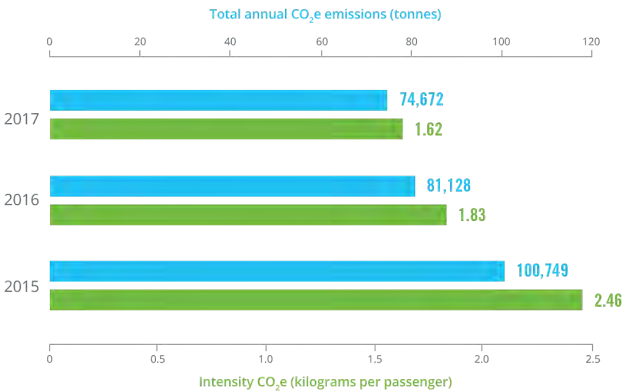
Also in Terminal 1, our energy conservation team completed a heating, ventilation and air conditioning (HVAC) optimization project that puts air quality monitoring sensors closer to passengers and employees to keep them more comfortable. This simple change also helps control the amount of heating and cooling needed and reduces GHG emissions by about 1,100 tonnes per year – that's equivalent to 2,547 barrels of oil consumed.



Toronto Pearson's energy conservation team is working to reduce GHG emissions – through LED light installations, HVAC optimizations and other inroads.

# GREENHOUSE GAS EMISSIONS

GHGs represent a significant environmental impact for the airport industry. At the GTAA, we've already exceeded our corporate target of a 20 per cent reduction by 2020 (compared to the 2006 base year), and our aim is to raise the bar further. As part of our commitment to reducing environmental impacts, we've aligned our reporting standards to include ISO 14064, as well as the Province of Ontario's new cap and trade program and the internationally recognized Airport Carbon Accreditation program (in which the GTAA has achieved Level 3 certification). To align all three standards, for this year's annual report we've expanded our reporting boundary beyond Toronto Pearson's core operations to include emissions from the production and sale of electricity.



Through our Green Commuter Rebate Program, GTAA employees can receive a monthly rebate if they carpool, walk, cycle or use transit at least 70 per cent of the time.

## SMART COMMUTE'S 2017 EMPLOYER OF THE YEAR

In recognition of our efforts to lower GHG emissions, the GTAA was honoured to be named Smart Commute's 2017 Employer of the Year for Peel Region. We joined Smart Commute when it started in 2007 as a way to ease congestion in the Airport Employment Zone, free up airport parking spots and reduce GHG emissions. To set an example as a responsible organization, we established an ambitious target of having 30 per cent of our employees commuting via transit by 2035.

While progress had been good, we gave it a boost in 2017 by introducing the Green Commuter Rebate Program. The program offers staff a \$50 rebate for each month they carpool, walk, cycle or use transit to and from work at least 70 per cent of the time. The response was fantastic. By year-end, there were 223 participants, resulting in reductions of more than 321,000 kilometres of vehicle travel and 41,000 kilograms of GHG emissions.

## LEVEL 3 CARBON RATING

In 2017, Toronto Pearson was re-certified at Level 3 in the Airport Carbon Accreditation program managed by Airports Council International. The step up to Level 4 requires carbon neutrality, which is a goal we hope to eventually achieve. (Dallas Fort Worth International Airport is currently the only carbon-neutral airport in North America.)

## 71% WASTE DIVERSION

GTAA-wide waste diversion rate was 71 per cent in 2017 – three percentage points lower than in 2016.

## 1,338 POUNDS OF HONEY

That's how much Toronto Pearson's honeybee apiary harvested from its 18 hives in 2017. Our YYbeeZ program, which operates along a trail near the Etobicoke stormwater facility, helps support food security and sustainable agriculture in areas near our airport.

## 10,551,484 LITRES

The volume of glycol-based deicing fluid collected for recycling after being sprayed on aircraft in 2017.

## OUR DRIVE TO ZERO WASTE

Each year, our drive to zero waste gets us involved in new and different projects. For example, we're now identifying used furniture and windows to give to Habitat for Humanity. Through Partners in Project Green, we participate in an online platform that facilitates the exchange of materials between organizations like ours and service providers as a way of diverting resources from landfill. Instead of disposing of damaged lighting, we're having it refurbished.

We even have a program for recycling old cellphones that's aimed at saving gorillas' natural habitats in Central Africa. The Toronto Zoo's Phone Apes program collects old cellphones for use in the manufacture of new phones, as a way to reduce mining for coltan, a mineral used in cellphones that is sourced from African countries, including the Democratic Republic of Congo. There are Phone Apes recycling bins in four facilities at the GTAA.

Our GTAA-wide waste diversion rate was 71 per cent in 2017 – three percentage points lower than in 2016. We believe the difference was largely the result of poor diversion from public parking areas.

It's important to note that waste from inbound international aircraft is not included in our diversion processes. This type of waste is incinerated, in keeping with federal government regulations aimed at protecting and preventing the spread of disease and other threats to Canadian plants, wildlife and agribusiness.



## A DECADE OF GOING GREEN

In 2017, Partners in Project Green entered its 10th year of cooperative efforts in support of the pioneering Pearson Eco-Business Zone. Co-founded by the GTAA and the Toronto and Region Conservation Authority, the initiative brings together like-minded local businesses to talk about sustainability issues, share creative ideas and success stories, and collaborate on green business initiatives that create tangible value. Members devote time and resources to programs they find meaningful in four key areas: energy management, employee engagement, waste management and water stewardship.

Over the past year, partners came together in more than a dozen programs and initiatives that had concrete impact, including diversion of landfill waste, reduction in energy use, tree planting, activating electric vehicle stations, and process water and wastewater offsets.

To celebrate 10 years of achievement, in 2018 Partners in Project Green will be running a campaign showcasing various actions taken by community businesses to build a green economy in the GTA.

You can learn more at [partnersinprojectgreen.com](http://partnersinprojectgreen.com).



The better we move

# OUR WORLD

Toronto Pearson's runways support non-stop flights to over 180 destinations worldwide and connect to more than two-thirds of the global economy – and our reach is expanding all the time. Every year, millions of travellers count on our support as they explore new markets, build valuable relationships and create the kinds of opportunities abroad that boost prosperity at home. Like them, we succeed by carefully managing our resources while planning for the future – not just the coming days and months, but the next two decades and beyond.



# HOW AIRPORTS DRIVE ECONOMIC GROWTH

**Toronto Pearson acts as a powerful anchor institution for the region, writes influential urban theorist and best-selling author Richard Florida. It's a vital asset in the drive to sustain development and growth.**

In more than three decades of studying urban economic development, I haven't been compelled to think much about airports – until recently. For me, and for many other experts in my field, there were two key things that drove innovation and economic growth in cities: high-tech industries and highly educated knowledge, professional and creative talent.

In 2011, a book called [Aerotropolis](#) argued that airports wield heavy influence on the growth of cities and industries. In fact, its authors predicted that airports and their surrounding communities would “shape business location and urban development in the 21st century as much as highways did in the 20th century, railroads in the 19th and seaports in the 18th.”\*

Still, I remained skeptical. Did airports really drive economic growth in the same way as universities or high-tech firms?

With the help of two colleagues, a regional economist and a statistician, I undertook a large-scale research project to find out. We fashioned a sophisticated statistical analysis to gauge the impact of airports – and other key factors like talent and technology – on regional economic development.

The [results](#) of our research, published in a leading academic journal and [summarized](#) online, caused me to change my mind on airports – big time. We found that airports help to propel regional economic prosperity. What's more, we found that airports have a stronger connection to regional growth than high-tech industry, and about the same impact as high-skill talent.

What is it about airports, we wondered, that makes them such critical economic drivers?

As urbanists and economists, we knew that airports moved two things: goods and people. But while both are essential for regional development, we found moving people to be more important. As sources of ideas and talent, people are chief contributors to regional innovation, creativity and economic growth.

\* Dr. John D. Kasarda, [aerotropolis.com](#)

This is backed by [research](#) concluding that an airport's ability to move people from one place to another is a key factor in urban economic development. One such [study](#) – which compared U.S. domestic air traffic before and after the deregulation of the airline industry in 1978 – found that air traffic growth has a positive effect on population, income and employment growth in cities, even after statistically controlling for other regional characteristics.

The key lies in the way that global hub airports connect global cities to one another. A [2017 study](#) discovered that non-stop flights and high levels of connectivity generate even more inter-city investment than airport capacity. This is particularly true of airports that offer numerous long-haul flights to global cities between 5,000 and 6,000 miles away.



**RICHARD FLORIDA**

Richard Florida is University Professor and Director of Cities at the [Martin Prosperity Institute](#) at the University of Toronto's Rotman School of Management and the co-founder and editor-at-large of [The Atlantic's CityLab](#). He is the author of the best-selling book *The Rise of the Creative Class* and most recently of *The New Urban Crisis*.

While there are plenty more studies like these to cite, the picture is sufficiently clear: Having a global hub airport is fundamental to Toronto's economic competitiveness – and that of any other major city.


In recent years, the connectivity provided by Toronto Pearson – along with features like great universities, strong banks and financial institutions, openness to international talent, and burgeoning high-tech clusters – has helped Toronto rapidly ascend the ranks of global cities. The Toronto metropolitan area now ranks 10th on [my own](#) Global City Economic Power Index, and the city ranks [seventh](#) on the Global Financial Centres Index, a measure of global finance and banking. Toronto also generates around a fifth of Canada's total economic output – about the same combined share as New York, L.A. and San Francisco in the United States.

Today, Toronto Pearson yields an economic impact of more than \$40 billion a year, equal to 15 per cent of Greater Toronto's economic output or GDP and more than six per cent of Ontario's. At the same time, it provides access to about 70 per cent of the global economy via daily direct flights, while anchoring a powerful transportation and logistics hub. Investment in a new regional transit centre at the airport will only enhance and reinforce this progress.

But the impact of Toronto Pearson isn't limited to the city alone. The airport is also a key asset to the broader [mega-region](#) spanning Kitchener-Waterloo to the west, Ottawa and Montreal to the east, and Rochester and Buffalo to the south. This economic aggregate is the twelfth-largest mega-region in the world, producing nearly \$600 billion in economic output. When combined, the region is bigger than Sweden and equivalent to one of the world's 25 largest economies.

In this way, Toronto Pearson acts as a powerful [anchor institution](#) for the region, alongside top-notch universities, hospitals and medical centres, as well as leading corporations. Moving forward, Toronto must continue to leverage this asset to ensure sustained economic growth.





OUR WORLD

# THE FURTHER WE REACH

The travellers we serve are globally connected and eager to expand their horizons. Meanwhile, our carriers are flying larger aircraft over longer distances, with higher fuel efficiency and at a lower cost. As we help more and more people reach more places more often, the world has never been so close.

## TO THE ENDS OF THE EARTH (AND BACK)

Toronto Pearson ranks second among North American airports for direct connections to global destinations, as well as for the total number of international travellers we serve each year. In 2017, international traffic through our airport grew by eight per cent to 29.6 million passengers. This represents nearly 63 per cent of total volume. (By comparison, growth in the number of domestic travellers, while still significant, was just over three per cent.)

Our carrier partners offer direct flights to more than 150 international cities. The top 10 destinations by passenger volume are (in descending order) London, Cancun, Amsterdam, Frankfurt, Hong Kong, Montego Bay, Punta Cana, Paris, Beijing and Shanghai. In 2017, we saw a marked increase in demand on many established routes, notably to Amsterdam, Chicago, Los Angeles and Mexico City. We also added new or expanded services to Lisbon, Guangzhou and San Antonio, Texas.

Outbound international travellers are heading off to explore new places, visit family and friends, and pursue business and professional opportunities. People who arrive from abroad are likewise coming to explore Canada on holiday, renew personal connections, conduct business and invest in new ventures. Coming or going, they're part of the constant flow of people, goods, capital and ideas that drives the global economy – and creates jobs and prosperity in our country.

Toronto Pearson brings the world together, with non-stop flights to more than 180 international cities.



## THE VALUE OF CONNECTING

While most of our traffic represents what we call origin-and-destination travellers – that is, people who are flying to or from our region – 30 per cent are connecting passengers. Last year some 14 million travellers, both domestic and international, passed through our terminals en route to their ultimate destinations.

The value of connecting traffic is not always understood: Why should we enhance our airport to accommodate people who are just passing through? First of all, when more people fly in and out of Toronto Pearson, it boosts both aeronautical revenue and the returns generated by passenger services and amenities; this helps to support a vital piece of infrastructure, benefiting our region and all of Canada. But the impact of connecting traffic extends even further: higher passenger volumes enable carriers to deploy larger aircraft, increase the frequency of flights and add new routes – to the advantage of everyone who travels to and from our airport. This is one more dimension of how a global hub creates positive local impact.

And then, of course, there are travellers who book layovers in Toronto, whether for business meetings or brief sightseeing visits. While more than simply passengers in transit, who generally remain within our terminals, many wouldn't arrange a stopover were it not for the convenient connections that Toronto Pearson provides. This brings a further economic stimulus to our region.

## 30% CONNECTING PASSENGERS

The number of air travellers connecting through Toronto Pearson has doubled in the past decade, from just under seven million in 2007 to 14 million last year. Connecting passengers now account for 30 per cent of all traffic.

## 185 DIRECT DESTINATIONS

Airlines flying into and out of Toronto Pearson offer regular non-stop service to 34 Canadian cities and 151 destinations around the globe.



More than 40 per cent of all flights within Canada pass through Toronto Pearson.

*Photo: Andy Cline*

## FLYING AROUND OUR BACKYARD

An international airport also enables quick, efficient connections closer to home. Toronto Pearson is the hub for Canada's two major domestic carriers, Air Canada and WestJet, which together provide direct service between Toronto and 34 cities from coast to coast to coast. National air traffic data from mid-2017 shows more than 40 per cent of all flights within Canada passing through our airport. By year-end, we'd helped 17.5 million passengers crisscross the nation.

Going forward, as services expand to match the patterns of economic growth – and as carriers continue to increase aircraft capacity – the domestic side of our operation will only continue to grow.



OUR WORLD

## THE MORE LINKS WE FORGE

Daily non-stop flights from Toronto Pearson reach 70 per cent of the global economy, and that will grow to 80 per cent in the next few years. We help businesspeople find new customers, cement partnerships, visit factories and trade events, ship high-value goods and attract investors to our own backyard.

## FOREIGN EXCHANGE

Foreign direct investment (FDI) is a vital component of any developed economy, and Canada is no exception. In 2016, our nation's inward FDI stock – the total level of investment from foreign sources at any given time – was \$826 billion. Since the global financial crisis and subsequent recession of 2008–2009, we've led the G7 nations in attracting investment. In 2016, our key success measure – the ratio of FDI to total Canadian GDP – was double the G7 average. This inflow not only provides a stable source of funding for Canadian enterprises; it also brings added benefits such as the transfer of knowledge and technical expertise. What's more, FDI strengthens commercial ties between our country and foreign markets. And all of this naturally increases demand for air travel.

Toronto Pearson, as a global hub, plays a crucial role in connecting foreign investors to Canadian projects and companies, and vice versa. The connectivity we provide is also a key consideration for multinationals looking at competing sites for new divisional headquarters or key branch operations. Our airport's impact as an economic facilitator is particularly evident in a province where foreign investment is considered vital for economic growth. Ontario accounted for 8 per cent of all FDI flowing into North America in 2016, up from 6 per cent in the previous year. In the same period, the province's share of Canadian FDI grew from 47 per cent to 53 per cent of the national total, while the value of investments from foreign sources increased from \$4.1 billion to \$4.5 billion. These data points reflect countless interactions among corporate leaders and investors, as well as legal and finance teams, engineers and designers, and experts in every area of manufacturing and service delivery. And most of those interactions are made possible by our airport's efficient direct connections to more than 70 per cent of the global economy.



As Toronto Pearson increases its reach, regional economic activity will support nearly 700,000 new jobs through direct, indirect and induced impacts.



## IT ALL CONNECTS

When we introduce a new service or route at Toronto Pearson, the value added extends far beyond the immediate advantages of direct access to a new destination. Connectivity leads to more connectivity. If it becomes easier to reach Toronto from, say, Madrid, then Toronto soon finds itself welcoming more tourists, students, businesspeople and investors from Spain. Connections among people and organizations grow, making it easier for Canadian companies to export products and services to Spanish markets, which in turn creates still more jobs here at home.

As our airport steadily increases its reach and frequency, we anticipate that the impact on regional economic activity will support a projected 700,000 jobs – direct, indirect and induced – across the region. In addition, the global connectivity we provide helps to attract skilled people from abroad who want easy access to family and friends back home. We help regional businesses and organizations win in the global war for talent, and that benefits everyone.

## 14% OF ONTARIO EXPORTS

Goods shipped via air cargo through Toronto Pearson in 2016 represented about 14 per cent of Ontario's total exports by value, and 7 per cent of exports nationally.



OUR WORLD

# THE FULLER THE CIRCLE

For today's air traveller, the journey begins long before the airport – with a bag by the door, a boarding pass downloading and a ride booked on a mobile app. And whether a trip entails a flight across the country or to the far side of the globe, it ends only with a traveller's return to the point of origin. We call it *home to home*.

## FROM HOME TO HOME

Most of us are used to downloading our boarding passes well ahead of a flight time. Soon you'll also be able to print out luggage tags before you've left your home or office – so when you arrive at Toronto Pearson, all you'll have to do is drop your bags at a designated point and carry on through security.

But what if checking in from home could also prompt an automatic booking with a preferred limo, taxi or ride-sharing service – with all the details confirmed and updated on your phone? And maybe the transaction could trigger an order to your favourite coffee place in Terminal 1, so your usual latte or cappuccino will be ready as you walk to the gate. Or how about when you fly back to Toronto? What if the clothes you dropped off at the dry cleaner's in the terminal could be waiting at the gate as you disembark from the plane? Or when you head to your car, wouldn't it be great if there was a box of pre-ordered groceries waiting in the parking area, so you didn't have to go home to an empty fridge?

We are exploring ways to reimagine the passenger experience through smart devices and mobile connectivity.



These are the kinds of scenarios being explored by Toronto Pearson's home-to-home travel team. As people embrace digitally enabled convenience in all areas of their lives, from mobile banking to online shopping to video on demand, there's a huge opportunity to rethink the passenger experience. Where we once thought of air travel as flying from airport to airport, we're increasingly seeing it as an end-to-end journey that only concludes when you return to the starting point.

This thinking doesn't just apply to passengers starting out from Toronto Pearson. We're looking at ways to track and support connecting passengers as well, so we can welcome them personally on arrival and guide them seamlessly through our terminals – with helpful prompts on their smartphones – and on to the next stage in their journeys. We've already begun developing a pilot program with one of our international carriers, working out how to share relevant flight data and passenger profiles – subject, of course, to strict privacy and data security protocols.

Right now, home-to-home for most travellers is an intriguing idea. But soon it will simply be expected. And Toronto Pearson will be in the lead, working to deliver the optimum travel experience – before people even walk out their front doors.

## 1,500 ELECTRONIC DISPLAYS

update passengers on flight departures and arrivals, baggage delivery and other information as they move through our terminals.

Up-to-the-minute data and analytics support agile decision-making – meaning passengers, baggage and aircraft can flow smoothly.



## THE DATA-DRIVEN AIRPORT


Maintaining a consistent and reliable flow of passengers, baggage and aircraft through Toronto Pearson requires agile decision-making informed by up-to-the-minute data. So to ensure we're supporting our operations with the best available reporting and analytics, the GTAA's technology team has been sharpening our capabilities in enterprise data management (EDM).

In the past, like many large organizations, we supplemented our automated management systems with manual processes and some third-party analysis. Integrating data from multiple sources took a big collective effort, but it paid off. By analyzing the performance of baggage systems, for example, we were able to increase capacity by 30 per cent. Similarly, we spotted potential efficiency gains during winter operations that allowed us to increase runway capacity by 40 per cent and raise throughput at the deicing facility by 20 per cent. Improvements like these allowed us to defer major capital expenditures and realize the maximum value from Toronto Pearson's existing infrastructure. But the downside was that they were largely one-time solutions to specific problems. It was difficult to take the results of one project and overlay them on another set of data.

As we evolve to EDM, we're able to look across operational areas and spot opportunities that only become apparent once you can integrate all relevant data in a single view. If we're considering, for instance, whether to relocate an air carrier to a different part of a terminal, we need to know what gates are available, if there are enough check-in counters, if the baggage system has sufficient capacity and so on. Armed with the right data on passenger traffic and flight schedules – not just historically, but monitoring activity in real time – we gain a holistic understanding of immediate challenges. Even more importantly, we can predict future patterns and adjust our decisions and investments accordingly.

The power of predictive modelling is just one dimension of our overall technology strategy at Toronto Pearson. We have many areas of focus: supporting collaborative decision-making among key airport players; tracking vehicles and equipment via the Internet of Things; providing digitally enabled services to enhance the passenger experience; and much more. The underlying systems and architecture are complex, but the goal is simple: to create a data-driven environment in which every minute and every dollar invested delivers optimum value – to passengers, to our airline customers and to our own bottom line.





OUR WORLD

# THE SMARTER THE PLAN

Airports can't think in terms of quarterly targets and annual results. We map out detailed plans spanning decades. And for a global hub like Toronto Pearson, our vision of the future, shaped by a 20-year strategy and a comprehensive Master Plan, must be big enough to address the priorities of *all* our stakeholders.

## WE HAVE A PLAN

In December 2017, we presented the federal Minister of Transport with our 2017–2037 Master Plan, a comprehensive review of how Toronto Pearson will respond to forecast growth in demand over the short, medium and long term. Significantly updating a document prepared 10 years earlier, the new Master Plan looks at anticipated needs across all of our facilities, including the airfield, passenger terminals, groundside access, air cargo, business aviation and ancillary support services. It also examines the improvements required to ensure we continue to meet growing demand and operate efficiently while working with community stakeholders to address any impacts of our operations.

### Planning Principles

Long-range planning for Toronto Pearson is a continuous, adaptive process. Specific changes may not materialize at precisely the scale we expect, or according to our estimated timelines. The proposals in our Master Plan are therefore modular and flexible, so we can better respond to stakeholders' evolving needs. Our planning process is guided by the following principles:

- Maximize economic benefits to communities while minimizing greenhouse gas emissions and other potentially negative impacts.
- Recognize that rapid technological change will demand ongoing adaptation and require us to be innovative.
- Coordinate our planning with that of our neighbours and partners.
- Divide our 20-year horizon into shorter increments of detailed study and action.
- Develop flexible plans so we can respond nimbly to changes in our environment.





Photo: Air Canada/Brian Losito

## Stakeholder Consultation

In developing the Master Plan, we consulted extensively with our stakeholder network, including business partners, governments, community groups, labour unions, air travellers and area residents. All play critical roles in helping us maintain and improve Toronto Pearson's connections to local communities while operating our airport safely, delivering superior service, and addressing the concerns and priorities of those who are affected by our operations. For more on our ongoing efforts, please see the report section on [stakeholder engagement](#).

## Where We're Heading

Based on our in-depth analysis, we've developed the most likely scenario for Toronto Pearson in 2037: Some 85 million passengers will travel through our airport annually. We'll facilitate more than 630,000 aircraft movements to connect our region and all of Canada with the rest of the world. And some 970,000 tonnes of cargo will move through our facilities each year.

By increasing the productivity of Toronto Pearson's land and facilities, we're confident that we can meet future demand using our existing footprint and runways while minimizing our impact on neighbouring communities. We'll also continue to innovate, keeping pace with rising demand by embracing new business models and adopting new enabling technologies.

To review the complete Master Plan, including our detailed conclusions and recommendations, please visit [torontopearson.com/masterplan](https://torontopearson.com/masterplan).

By investing more than \$6 billion over the next few years, we can renew existing facilities and keep up with increased traffic.



## 85 MILLION PASSENGERS BY 2037

Our 2017–2037 Master Plan estimates that the number of travellers passing through our airport annually will grow by 80 per cent over the next two decades.

## TWENTY YEARS AHEAD

All airports have long planning horizons, and a leading global hub like Toronto Pearson must take a longer view than most. Within the 20-year strategic framework approved by the GTAA Board of Directors in 2015, we develop one-year and five-year business plans, as well as annual budgets. The framework sets out six strategic priorities that inform all of our business activities and decision-making:

- **Safety** – Focus on the safety and security of everyone who visits or works at our airport.
- **People** – Develop a talented, high-performing workforce to achieve our vision.
- **Passenger and Customer Service** – Pursue operational efficiency while providing a superior travel experience.
- **Financial Sustainability** – Generate sufficient returns to support our day-to-day operations and invest in infrastructure, customer service and debt reduction.
- **Aviation Growth** – Expand connectivity to benefit the surrounding region, Ontario and all of Canada.
- **Corporate Responsibility** – Work with our stakeholders to preserve the environment and support thriving communities.

Guided by these key priorities – and within the parameters established by our [Master Plan](#) for Toronto Pearson – we expect, over the coming years, to invest more than \$6 billion over the next few years to renew existing facilities and keep up with anticipated growth. Specific areas targeted for investment include enhanced customer service, expanded airport amenities and improved passenger, baggage and aircraft flow.



# A MESSAGE FROM THE BOARD CHAIR



## BALANCING OUR PRIORITIES

**Toronto Pearson, as a vital transportation hub, is in business to meet the evolving needs of the communities it serves. The role of the GTAA's Board of Directors is to identify what those needs are, determine how they can best be addressed and establish a clear set of strategic priorities in collaboration with the senior management team. As with all enterprises – and especially one as complex and multifaceted as Canada's largest airport – reconciling the views and aspirations of diverse stakeholders into an agreed course of action often requires a delicate balancing act. The Board must provide oversight and guidance to management in the pursuit of business goals while collectively representing the interests of the GTAA and all of its stakeholders.**

In 2017, traffic volume at Toronto Pearson increased by 6.2 per cent to 47.1 million passengers. This extends the steep growth curve we've experienced since the GTAA began operating the airport in 1996. And it reflects the steady increase in demand for air travel in the Greater Toronto and Hamilton Area, throughout Southern Ontario and across Canada. The GTAA continues to meet that demand by managing our existing facilities and resources as efficiently as possible while maintaining the highest standards of safety and security. We invest the net income generated by Toronto Pearson – which last year exceeded \$112 million – into enhancing passengers' airport experience while providing better support to our air carriers and other partners.

At the same time, though, we recognize that Toronto Pearson's operations have an impact on nearby communities. This is a challenge shared by all airports, and especially by our peers in the top tier of global hubs. We have a responsibility to consult regularly with area residents and other stakeholders, listening to their concerns and sharing information clearly and transparently. And we have to do more than talk: we're committed to working closely with our neighbours to mitigate, as much as possible, the potential impacts of a piece of public infrastructure that most would agree is essential for the region's – and the country's – economic growth and well-being.



## ACTIONS WITH IMPACT

Over the past year, the GTAA continued working on several fronts to balance our operational imperative with our sensitivity to community and environmental impacts. Four areas warrant highlighting:

- **Reducing our carbon footprint** – In 2017, Toronto Pearson was re-certified at Level 3 in the Airport Carbon Accreditation program overseen by Airports Council International. We're now working toward Level 4, or carbon neutrality (which only one North American airport has achieved). Meanwhile, greenhouse gas (GHG) emissions at Toronto Pearson continued to decline, measured both by total volume and output per enplaned passenger. Since 2006, we've reduced GHG levels by 54 per cent – well ahead of our targeted 20 per cent reduction by 2020.
- **Easing road traffic congestion** – Only about 10 per cent of passengers and airport employees use public transit to access Toronto Pearson. In the GTAA's 2017–2037 Master Plan, published in December 2017, we've set a goal of 30 per cent transit usage within two decades. Central to this commitment is our proposal for an integrated [regional transit centre](#) that will dramatically improve airport access. More importantly, as CEO Howard Eng notes in his [message](#), the transit hub we envision will help drive economic growth by improving traffic flow throughout the region – and especially for the hundreds of thousands of people who work in the [Airport Employment Zone](#), the second-largest employment cluster in the country after downtown Toronto.
- **Managing noise impacts** – The Community Environment and Noise Advisory Committee (CENAC) once again held five public meetings during the year, providing an open forum for community members to discuss and ask questions about aircraft noise and related environmental issues at Toronto Pearson. High on this year's agenda was the completion of a new five-year plan for enhancing our existing noise management program. In November 2017, after two years of extensive community engagement and consultations with aviation experts, we published *Growing Responsibly: 2018–2022 Noise Management Action Plan*, which sets out 10 commitments to our neighbouring communities, along with the concrete actions we're taking to fulfill them.

Aircraft noise is a sensitive issue for all airports located close to large urban centres. The GTAA will continue seeking ways to minimize and mitigate noise-related impacts, whether by encouraging carriers to adopt improved aircraft technology or conferring with NAV Canada on its management of flight patterns and procedures. But while we've tried to lead the way in noise management efforts, sometimes we get it wrong. A case in point was our [closure of a busy runway](#) for maintenance during mid-2017. This rehabilitation work was essential to maintain safe operations, and it was completed on time. However, communications around the project were not as clear as they could have been. As a result, some community members were caught off-guard by service disruptions and the temporary diversion of aircraft onto less-used flight paths. The management team has learned from this experience and developed a new [construction communications protocol](#) for future projects. The consensus at the GTAA is that we can do better – and we will.

- **Investing in communities** – In 2017, we maintained our commitment to invest 1 per cent of annual net revenue in support of community-based organizations around Toronto Pearson and across the region. Through the Propeller Project, the GTAA's community investment program, we provided about \$800,000 in funding to various proven initiatives, focusing in particular on support for unemployed and underemployed youth, as well as for immigrants adapting their skills and experience to the Canadian workplace.

## STRENGTH IN DIVERSITY

As we work to find the right balance between our communities' growing need for connectivity, Toronto Pearson's vital role in driving economic growth and residents' understandable concerns about potential impacts, we benefit from having a Board of Directors that, by design, comprises a diverse range of appointees from all levels of government, as well as key business sectors. In the past year we were pleased to welcome four new members:

**Kathleen Keller-Hobson** sits on the boards of several companies, including CCL Industries Inc. In 35 years of legal practice, she specialized in public and private M&A, corporate finance and governance.

**Hazel McCallion** knows Toronto Pearson well from her 36 years as Mayor of the City of Mississauga. She is now Chancellor of Sheridan College and a special advisor to the University of Toronto Mississauga.

**Mark Schwab** brings a wealth of relevant experience to our Board, having served in a number of senior executive roles in the airline industry, most recently as CEO of Star Alliance.

**Johan van 't Hof**, CEO of Tonbridge Corporation, a merchant bank and financial advisory firm, has deep experience in infrastructure financing and public private partnerships.


We would also like to recognize the many valuable contributions of **Brian Herner** and **Terry Nord**, who retired from the Board in 2017 after completing their nine-year maximum terms. And we congratulate former Board member **Ian Clarke** on his move from interim to full-time Chief Financial Officer of the GTAA.

Over the past year, Howard Eng once again demonstrated the outstanding leadership ability that has earned him a global reputation in the aviation industry. Since taking on the CEO's role in 2012, Howard has built an exceptional senior management team with an ideal blend of skills and experience – including fresh perspectives from other sectors. As a result, the GTAA today is a more nimble, innovative and forward-looking enterprise.

Lastly, we're indebted as always to our broad and diverse community of stakeholders. With your engagement and support, we'll continue to balance the competing demands, expectations and aspirations that are shaping Toronto Pearson's evolution into one of the world's leading airports.

A handwritten signature in dark ink, appearing to read 'David Wilson', with a stylized flourish at the end.

David Wilson  
Chairman



GOVERNANCE & LEADERSHIP

# A MESSAGE FROM THE PRESIDENT AND CEO

## THE BETTER WE MOVE

**An airport is in business to move people – not just in the air, but on the ground as well. And as we help make the connections to get travellers where they need to go, our communities and all Canadians benefit from a more dynamic and resilient economy.**

In 2017, three million more travellers passed through Toronto Pearson than in the previous year. This increase reflects the continued growth of our region, as well as rising demand across Canada for fast, convenient access to the rest of the world. Our evolution into a leading global hub is driven by the needs and priorities of the economies we support – and by the tourists, businesspeople, immigrants and other visitors we help attract to our city, our province and points beyond.

But there's more to being a top-tier global airport than facilitating inbound and outbound flights. As we often say at the GTAA, we're in the connectivity business. That means we have a responsibility to help passengers travel onward from our terminals to their ultimate destinations. By the same token, we understand that for people across the region flying out of our airport, the journey begins before they even leave their homes or offices, from the moment they download a boarding pass or arrange ground transportation.

This is why we've taken the lead in proposing the development of a [regional transit centre](#), integrated with Toronto Pearson, that will be a hub for high-speed rail, light rail and bus networks serving the western Greater Toronto and Hamilton Area. Since the announcement of our initial plan in February 2017, we've been consulting with all levels of government, as well as Metrolinx and other ground transportation agencies, about the best way to move forward on a project that all agree is vital to the future prosperity of our region.

And to be clear: the focus of this proposed transit hub is not to get more travellers efficiently to and from Toronto Pearson. That will be a welcome bonus, as we give airport users a choice of more convenient, sustainable transit alternatives. But the real impetus for this initiative is one that residents of our nearby communities understand all too well: the need to free up traffic-clogged roads and get the whole region moving better.

## A LARGER VISION

For the 300,000 people who commute to work daily in the [Airport Employment Zone](#) – or for those whose jobs take them into downtown Toronto, or to thriving regional centres like Waterloo – having more accessible transportation options will improve their quality of life and help them be more productive in their current jobs. It will also open doors to new opportunities. And yes, they'll enjoy easier access to and from our airport when they travel. But from our perspective, the connectivity we provide with our airline partners is just one part of a larger vision. And for the communities we're in business to serve, the advantage of a global hub is not simply that we help meet rising demand for air travel – Toronto Pearson is an asset that can be leveraged to benefit the entire regional economy.

We often talk about our airport's impact in terms of GDP, and the numbers are impressive. Urban theorist Richard Florida points out – as one of several guest experts who share their [points of view](#) in this annual report – that Toronto Pearson generates more than \$40 billion annually, which equates to about 15 per cent of the GTA's total economic output. But it's the stories behind the numbers that reveal our true impact: The multinational companies that build their Canadian headquarters in our region, confident of having easy connections to the world. The flow of foreign investment into local enterprises that require similar connectivity. The startups and growing ventures in various innovation centres across Southern Ontario – all dependent on global links to secure financing, arrange manufacturing and explore potential markets. And then there are the tens of thousands of international students attending our post-secondary institutions – and of course the millions of tourists who each year visit our region and the rest of Canada, spending billions on goods and services.

All of these factors contribute significantly to job creation, economic growth and long-term prosperity. And their impact is magnified by the power of a global hub airport.

## MEETING THE CHALLENGES

As Toronto Pearson connects our region and Canada's trading economy to the world, we inevitably face some operating challenges. Last year, traffic at our airport rose once again to a record 47.1 million passengers. That represents an increase of 11 million – equivalent to the combined populations of British Columbia, Alberta, Saskatchewan and Manitoba – in just five years. The number of aircraft movements hasn't risen proportionately; airlines are investing in larger and more sophisticated planes, and are also allocating seats more efficiently. Still, it means we must be more focused than ever on maximizing the efficiency of our airport while maintaining the highest safety standards, exceeding passengers' expectations and minimizing our impact on surrounding communities.

The challenge has two main dimensions:

First, we need to optimize the flow of passengers, baggage and aircraft through Toronto Pearson, deriving the maximum value from our existing footprint. The many stories showcased in this annual report point to our success in enhancing services, adding new amenities and collaborating with carriers, government agencies and other partners to keep everything moving as smoothly and safely as possible.

The best measure of progress comes from the toughest audience – our passengers, who this year gave us our highest score yet in the [Airport Service Quality](#) (ASQ) survey conducted by Airports Council International. Toronto Pearson ranks first in North America among airports serving more than 40 million passengers annually. And our passenger satisfaction level is higher than that of comparable hubs across the Americas, Europe, Africa and the Middle East. We're proud to receive this recognition and to share it with Air Canada, Westjet and the other carriers and partners who help us deliver a superior airport experience.



At the same time, we never lose sight of our other key challenge as a leading global hub: managing the impact of airport operations on our neighbours. This report also highlights our various [environmental efforts](#), from recycling programs to the steady reduction of greenhouse gas emissions. We're committed to supporting our communities – and indeed working alongside them – to protect the region's natural environment and the overall health of the planet.

The most sensitive area of impact is the effect of aircraft noise on neighbourhoods beneath our primary flight paths. This is an issue faced by all airports serving urban regions, and over the past few years we've looked for better ways to discuss it with community members and seek solutions together. As David Wilson, Chair of the GTAA's Board of Directors, notes in [his message](#), in 2017 we took a number of important steps in this regard – notably the publication of a [Noise Management Action Plan](#) committing to specific actions we'll take with air carriers and other partners to mitigate both the level and frequency of airport-related noise.

## THE GREATER THE OPPORTUNITY

In all of the efforts I've touched on here, we're supported by a strong Board that provides insight and guidance as we work to achieve our strategic goals. And as always, our progress is driven by the 1,600 dedicated employees of the GTAA, and the 49,000 people directly employed at Toronto Pearson, who work together every day to fulfill our vision: *To be the best airport in the world.*

This annual report, which we're producing for the first time in a more accessible digital format, echoes the message we've begun sharing with our neighbours: *The better we move, the greater we become.* This is true not simply for Toronto Pearson, but for communities across our region. The more we work together to put good ideas into motion – to find sustainable transit solutions, create better jobs for more people, foster innovation and economic development, and build diverse and inclusive communities – the more our region, and all of Canada, will prosper and grow.

The better we move, the greater the opportunity.

A handwritten signature in black ink, appearing to read "Howard Eng", with a stylized flourish at the end.

Howard Eng  
President and Chief Executive Officer

## BOARD OF DIRECTORS



**W. DAVID WILSON**  
**CHAIRMAN**

David Wilson is the former Chair and Chief Executive Officer of the Ontario Securities Commission and is now retired following an extensive career in Canada's financial services industry.

**Nominated by the City of Toronto**



**PAUL W. CURRIE**

Paul Currie is a seasoned executive with senior officer and director level commercial experience in North America, Europe and Asia. During the course of a career spanning more than three decades Mr. Currie had significant roles in the financial services, real estate and technology sectors. He obtained his Chartered Accountancy designation in 1983, which he held until he resigned in good standing after almost three decades.

**Community Member**



**JEFF P. FEGAN**

Jeff Fegan is the former Chief Executive Officer of Dallas/Fort Worth (DFW) International Airport and past Chairman of the Board of Directors of Airports Council International – North America (ACI-NA).

**Community Member**



**STEPHEN J. GRIGGS**

Stephen Griggs is Chief Executive Officer of Smoothwater Capital Corporation, a private Canadian investment company. Mr. Griggs is also Chair of the Board of Genesis Land Development Corp. and Equity Financial Holdings Inc., and is a director of Marquee Energy Ltd. and several community organizations.

**Nominated by the Region of Peel**



#### **BRIAN P. HERNER**

Brian Herner is a corporate leader in the Canadian environmental industry. He is a founder and past President and CEO of BIOREM Technologies Inc., a leading global supplier of biofilters for air pollution control; a past President of General Chemical (Canada) Ltd.; and Vice President of Zenon Environmental Inc.

**Nominated by the Region of Halton**



#### **KATHLEEN L. KELLER-HOBSON**

Kathleen Keller-Hobson is a corporate director and is currently Lead Director and Chair of the Nominating and Governance Committee of CCL Industries Inc. (TSX: CCL), the world's largest converter of pressure sensitive and extruded film materials, and a member of the Board of Directors and Corporate Governance Committee of Premium Brands Holdings Corporation (TSX: PBH), which owns a broad range of leading specialty food manufacturing and differentiated food distribution businesses in Canada and the United States. Prior to January 2015, Ms. Keller-Hobson was a business lawyer with 35 years of experience in public and private mergers and acquisitions, corporate finance and corporate governance.

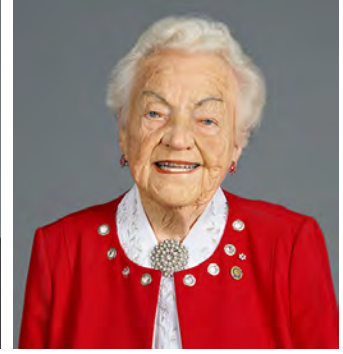
**Nominated by the Federal Government**



#### **ROGER R. MAHABIR**

Roger Mahabir is Chairman and CEO, Tracker Networks Inc. Previously, he was founder and CEO, Assurent Secure Technologies and served in C-level roles at Royal Bank (Capital Markets & Dominion Securities), GE and Suncor. A cyber and risk authority, Mr. Mahabir is recognized as one of the technology industry's top transformative leaders and innovators.

**Community Member**



#### **HAZEL McCALLION**

Hazel McCallion is the Chief Elder Officer of Revera Inc., Chancellor of Sheridan College, and special advisor to the University of Toronto, Mississauga campus. Ms. McCallion was one of the longest serving Mayors in Canada, having served as Mayor of the City of Mississauga for 36 years. She was appointed a member of the Order of Canada in 2005 and was awarded an honorary doctor of Laws degree from the University of Toronto in 2010.

**Nominated by the Federal Government**



#### **KATHY MILSOM**

Kathy Milsom is the President and CEO of Toronto Community Housing Corporation. She also serves as the Chair of the Standards Council of Canada. Ms. Milsom has held other executive leadership roles with both private and public sector organizations, including President and CEO of the Technical Standards and Safety Authority, President and CEO of the Canada Lands Company Limited and President of Vestar Facility Management, and has served on a variety of other boards. She is a professional engineer and a graduate of the Institute of Corporate Directors' Director Education Program.

**Community Member**



#### **TERRY NORD**

Terry Nord is a senior advisor to start-up cargo airlines in Asia (China) and to aircraft leasing companies on aircraft purchase lease contracts. He has held various senior executive positions with DHL Express (Brussels, Belgium), FedEx Express (Memphis, Tennessee), Air Canada, Altius Corporation and Canadian Airlines International.

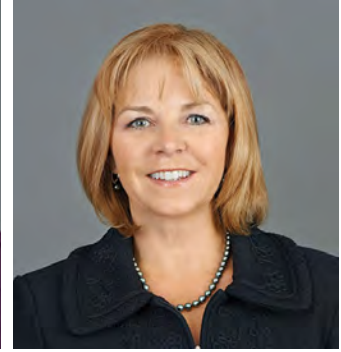
**Community Member**



#### **TERRIE M. O'LEARY**

Terrie O'Leary is Executive Vice President, Business Strategy and Operations at Toronto Global. Toronto Global is the Toronto Region's foreign direct investment attraction, marketing and sales corporation. A seasoned executive with extensive private and public sector experience, Ms. O'Leary served two terms on The World Bank Board of Directors in Washington, DC, as the representative of Canada, Ireland and the Caribbean. Prior to Washington, she was the senior adviser to Finance Minister Paul Martin.

**Appointed by the Province of Ontario**



#### **MICHELLE SAMSON-DOEL**

Michelle Samson-Doel is the President of Samson-Doel Group Limited and former Executive Chair of Multi-Marques, the largest bakery in Quebec. Ms. Samson-Doel has served on the boards of the Ontario Lottery and Gaming Corporation (OLG) and Women's College Hospital Foundation. She is currently Lead Director of Boralex Inc. (BLX), and is a member of the Women's Leadership Council of the United Way of York Region.

**Nominated by the Region of York**





#### **MARK F. SCHWAB**

Mark Schwab is a highly experienced airline industry executive, having recently served as Chief Executive Officer of Star Alliance, a global alliance of 28 airline members. He has a deep background in the airline industry, having served in international leadership roles with major carriers such as United Airlines, US Airways, American Airlines and Pan Am.

#### **Community Member**



#### **JOHAN VAN 'T HOF**

Johan van 't Hof is president and CEO of Tonbridge Corporation, a Toronto-based merchant bank and financial advisory firm, and a lecturer at the University of Toronto, the University of Waterloo, and the School of Accountancy for the Institute of Chartered Accountants of Ontario. Mr. van 't Hof has several years of experience in project finance, infrastructure financing and public-private partnership transactions, and has been a director of ten entities – inter-listed public companies, several private, as well as multi-million dollar not-for-profit organizations and charities. Mr. van 't Hof received his MBA from the Rotman School of Business at the University of Toronto and is a chartered accountant and a CPA in Ontario.

#### **Nominated by the Region of Durham**



#### **DANIELLE M. WATERS**

Danielle Waters is the principal of Water's Edge Consulting, a strategic consulting firm specializing in revenue enhancement, sales effectiveness and business transformation. She was previously the managing director of BCD Travel, a leading global travel management company with over 13,000 employees and offices in 90 countries. Ms. Waters has senior operational and management experience in the travel industry.

#### **Community Member**

*Photos: Lorella Zanetti*

## EXECUTIVE TEAM



**MARTIN BOYER**

Vice President and Chief Information Officer



**CRAIG BRADBROOK**

Vice President, Aviation Services



**IAN L.T. CLARKE**

Chief Financial Officer



**SCOTT COLLIER**

Vice President, Customer and Terminal Services



**VALERIE DUFFEY**

Vice President, Human Resources and Corporate Services



**HOWARD ENG**

President and Chief Executive Officer



**SELMA M. LUSSENBURG\***

Vice President, Governance, Corporate Safety and Security, General Counsel and Corporate Secretary



**HILLARY MARSHALL**

Vice President, Stakeholder Relations and Communications



**PATRICK NEVILLE**

Vice President, Airport Development  
and Technical Services



**KIM STANGEBY**

Vice President and Chief Strategy  
Officer

\* Selma M. Lussenburg resigned from the GTAA as of March 31, 2018.

*Photos: Lorella Zanetti*

# CORPORATE GOVERNANCE

**The Board of Directors (the “Board”) is representative of the diversity of the Greater Toronto Area and the major economic sectors in the region that Toronto Pearson serves.**

The GTAA was incorporated in 1993 as a non-share capital corporation and recognized as a Canadian Airport Authority by the Government of Canada in 1994. The GTAA assumed operation of Toronto Pearson International Airport on December 2, 1996. In 2014, the GTAA was continued under the Canada Not-for-profit Corporations Act. Although the GTAA is a non-share capital corporation, the GTAA complies with Canadian securities legislation as a reporting issuer. As a corporation without share capital, the GTAA has Members rather than shareholders or other equity holders.

The GTAA is governed by a Board consisting of 15 Directors elected by the GTAA's Members. Memberships in the GTAA are issued by the Board. Directors serve terms of up to three years and are eligible to be re-elected by the Members subject to a maximum total term of nine years. Board members collectively have a fiduciary responsibility to represent the interests of the corporation and all of its stakeholders.

Five Directors are elected by the Members from candidates nominated by municipalities (specifically, the regional municipalities of York, Halton, Peel and Durham, and the City of Toronto). Prior to the end of the term of a member nominated by a municipality, the relevant municipality is entitled to provide the names of up to three candidates. Following a rigorous assessment process, the Board issues a membership to one of the candidates who is then elected by the Members as a Director.

In addition, seven Directors are elected by the Members on a cyclical basis from a pool of eligible candidates who are identified and assessed through a search process, which includes engaging the Law Society of Upper Canada, Professional Engineers Ontario, the Institute of Chartered Accountants of Ontario, the Toronto Region Board of Trade, the Board of Trade of the City of Mississauga and the Board of Trade of the City of Brampton.

Finally, the Government of Canada nominates two individuals and the Province of Ontario nominates one individual, all of whom are elected as Directors by the Members.

All Directors on the GTAA's Board are independent, as that term is defined in the applicable securities legislation. The GTAA's Board is a “skills based” Board; namely, the Directors are elected on the basis of their abilities, experience and skills needed to oversee the GTAA's complex and industry- leading activities of operating and managing Toronto Pearson, a vital transportation facility for the region's economic and social benefit.

The GTAA's Board meets on a regular basis; its principal responsibility is to oversee the conduct of the GTAA's business and to set the strategic direction of the GTAA.

The Board oversees the development of long-term goals and strategies and implementation in support of Toronto Pearson's mandate to support and foster growth in the Greater Toronto Area.



The Board also oversees the processes and systems to manage the risks associated with the GTAA's business, and monitors and measures management's performance in carrying out the GTAA's strategic plan, vision and mission.

The terms of reference of the Board are included in the GTAA's Annual Information Form, which may be accessed at [www.sedar.com](http://www.sedar.com).

In 2017, there were five standing committees of the Board: the Audit Committee; the Governance and Stakeholder Relations Committee; the Risk Oversight Committee; the Human Resources and Compensation Committee; and the Planning and Commercial Development Committee. In addition to the standing Board committees, the Ad Hoc Airport Ownership Review Committee provided guidance to the Board in connection with the Government of Canada's review of ownership models of airport authorities in Canada. The mandates of the Committees of the Board are summarized below:

### **AUDIT COMMITTEE**

The Audit Committee's mandate is to fulfill the legal obligations that apply to audit committees of reporting issuers and to assist the Board in fulfilling its oversight responsibilities with respect to financial reporting, accounting, auditing and internal controls. In so doing, the Committee oversees all aspects of the GTAA's financial and accounting management procedures and the integrity of the GTAA's financial statements and financial reporting process. It also oversees the work of the GTAA's external auditor engaged for the purpose of preparing and issuing an auditor's report, overseeing the qualifications and independence of the external auditor, and providing an open avenue of communication between the senior management of the GTAA, the external auditor, the internal auditor, and the members of the Board and Committees of the Board.

The Committee also oversees the GTAA's insurance programs which minimize risk and exposure and provide for compliance with the insurance requirements under the Ground Lease and the Master Trust Indenture. Finally, the Committee monitors and oversees the defined benefit and defined contribution pension plans for the GTAA's employees. The Charter of the Audit Committee is included in the GTAA's Annual Information Form, which may be accessed at [www.sedar.com](http://www.sedar.com).

### **GOVERNANCE AND STAKEHOLDER RELATIONS COMMITTEE**

The Governance and Stakeholder Relations Committee is charged with the implementation and assessment of effective corporate governance principles and with oversight of the GTAA's relationships and strategic communications program with governments, the community, community investment programs and the GTAA's stakeholders. The Committee also is responsible for developing and reviewing the roles and responsibilities of the Board, the Chair of the Board, the Chairs of the Board Committees, and the President and Chief Executive Officer; overseeing the Member nomination process; recommending the issuance of memberships to candidates as Members; Board succession planning; the orientation program for new Directors; overseeing Director educational and professional development; reviewing the terms of reference of Board Committees; assessing the effectiveness of the Board and the Committees of the Board; and overseeing adherence to corporate governance requirements.

### **RISK OVERSIGHT COMMITTEE**

The Risk Oversight Committee oversees the identification, management and mitigation of the GTAA's principal risks. The Committee's mandate includes proposing to the Board risk tolerances and appetites for identified risks driven by and aligned with the GTAA's strategic goals and priorities, overseeing the effectiveness of the GTAA's risk management program including resilience and adaptability to deal with emerging risks, risk mitigation, stress testing and scenario planning. The Committee's responsibilities include overseeing risks relating to environmental, safety, security and airport operations.

## **HUMAN RESOURCES AND COMPENSATION COMMITTEE**

The Human Resources and Compensation Committee's mandate is to oversee matters related to the GTAA's human resources strategy, including occupational health and safety, hiring, employee training and talent development, performance oversight and succession planning for key management positions, the GTAA's compensation and benefit policies, recruitment and compensation matters relating to the President and Chief Executive Officer and officers, and matters relating to regulatory disclosure of compensation.

## **PLANNING AND COMMERCIAL DEVELOPMENT COMMITTEE**

The Planning and Commercial Development Committee's mandate includes oversight of the GTAA's commercial development of the airport, business and marketing strategy, planning, development and utilization of infrastructure and facilities to meet the needs of the GTAA's customers and stakeholders, including air carriers, passengers and cargo shippers. The Committee also is responsible for providing oversight with respect to the GTAA's airport master plan including a land use plan.

## **AD HOC AIRPORT OWNERSHIP REVIEW COMMITTEE**

Established in 2016 and disbanded in May 2017, this Committee provided guidance to the Board regarding the Government of Canada's review of ownership models of airport authorities in Canada.



SUSTAINABILITY OVERVIEW

## OUR APPROACH

**At Toronto Pearson, we embrace our obligation to manage growth sustainably as we move closer to our goal of being one of the leading global airport hubs in the world. We respect the needs and values of all our stakeholders while balancing the vital dimensions of social, economic and environmental responsibility. That's what being a leader is all about – and it's critical to maintaining our social licence to grow and operate.**

Sustainability is at the heart of Toronto Pearson's corporate strategy and growth plans. We manage it as an integral part of our business, in pursuit of six strategic goals related to safety, engaged people, passenger and customer service, financial sustainability, aviation growth and corporate responsibility.

We publish our performance in this report and in a downloadable [Sustainability Management Approach and GRI Index](#). Also included in the Sustainability Management Approach and GRI Index are our material topics (i.e., specific priorities falling within our strategic goals), which were last reviewed in 2015 and align with specific GRI topics. To ensure that we're focused on topics that are top of mind to our most important stakeholders, and that we consider our current and expected impacts, we plan to conduct a comprehensive materiality assessment by 2020.

For 2017 reporting purposes, we considered ongoing feedback from our stakeholders, gathered through surveys and other methods outlined in the [Stakeholder Engagement](#) section.

The following sections describe in more detail what we're doing in key areas of sustainability.



Safety and security of everyone who visits or works at Toronto Pearson is a top priority.

*Photo: Air Canada/Brian Losito*

## SAFETY

The safety and security of everyone who visits or works at our airport is a top priority. We have a saying at Toronto Pearson: “Be Safe. You mean the world to someone.” This reminds us of why we need to be vigilant about safety. Zero injuries is the ultimate goal, and every employee plays a role in helping achieve it.

Our [Safety Policy](#) sets out guiding principles. The Toronto Pearson Safety Program comprises seven safety systems that include policies, programs and training relevant to the various aspects of airport operations: aviation safety; security; terminal and groundside safety; environment; technical and construction; occupational health and safety; and emergency management. As of January 1, 2017, all contractors are required to be COR certified, as confirmation that their health and safety program meets provincial standards and has been evaluated by a certified auditor.

Safety performance is tracked through the Toronto Pearson Safety Index, which measures employee lost-time injuries per million passengers. We strive to achieve at least a five per cent reduction in injuries each year. We also ask employees to complete an annual safety climate survey, which assesses the overall culture and attitudes toward safety at our airport and identifies opportunities for improvement.







Roughly 49,000 people are directly employed at Toronto Pearson, and more than 1,600 work for the GTAA directly.

## ENGAGED PEOPLE

Of roughly 49,000 people directly employed at Toronto Pearson, approximately 1,600 worked at the GTAA as of December 31, 2017. Most of our employees work in management, technical, administrative and other operational roles, while some are seasonal employees hired for deicing and airfield maintenance. The majority are unionized, represented by either Unifor Local 2002 or the Pearson Airport Professional Fire Fighters Association.

To achieve our mission and vision, Toronto Pearson needs to attract, engage and reward a high-performing workforce, developing talent internally and casting a wide net in recruiting new talent. Our people strategy focuses on five areas, each of which has specific action plans, as well as one-year and five-year goals:

- Plan and attract the right talent for now and for the future.
- Develop and build individual potential and sustainable talent pipelines.
- Lead and engage to inspire individual and collective success.
- Align and reward to leverage talent and deliver business results.
- Equip and support GTAA colleagues with the right tools and expertise.

Employee feedback survey results are a strong indicator of how we're doing and what we need to change. Since 2015, our engagement score has risen from 58 per cent to 69 per cent. We attribute much of the increase to having acted on employee feedback. This included improving business processes that help us work more efficiently, as well as building the capabilities of our people managers, onboarding new hires more effectively and learning new ways to solve everyday problems.

Toronto Pearson's stakeholder groups include passengers and other airport users, as well as anyone who influences or is affected by our operations.



## SOCIAL RESPONSIBILITY

Toronto Pearson plays a vital role in Canada and in the life of our surrounding communities. Being a good neighbour is central to our mandate and critical for maintaining our social licence to operate and grow. Our key areas of focus can be summarized as follows:

**Stakeholder engagement** – Our stakeholders keep us abreast of the latest changes, challenges and opportunities affecting Toronto Pearson, our industry, surrounding neighbourhoods and the regional economy. We gather feedback and collaborate with our diverse stakeholders through industry committees, passenger surveys, employee forums, social media outreach, public meetings and tours, and more. Taken together, these efforts help ensure we're in the best possible position to plan strategically and act responsibly.

**Noise management** – Noise management is a top concern for our communities, and we continue to evolve our approach to addressing the issue. Following a two-year process that included extensive study and community engagement, we released our [2018–2022 Noise Management Action Plan](#) in 2017. We're also making progress on initiatives such as a three-phase [Noise Mitigation Initiatives Engagement Plan](#) with NAV Canada.

**Economic impact** – The GTAA employs about 1,600 people, while tens of thousands more are directly employed at Toronto Pearson. As a key player in the local, regional and national economies, we're working to grow [employment opportunities](#) in tandem with the growth of our airport – and to develop new ways of increasing connectivity to the world's economies.

**Community investment** – The GTAA invests in social good and community-building initiatives through the Propeller Project, Toronto Pearson's community investment program. In particular, we try to help local unemployed and underemployed people gain the skills, connections and opportunities they need to find more meaningful jobs and potential careers.



We focus on ways we can minimize our environmental impact and preserve natural resources.

## ENVIRONMENTAL MANAGEMENT

We're the first to acknowledge that an airport affects local ecosystems and contributes to climate change. However, there are many things we can do at Toronto Pearson to [minimize our environmental impact](#) and preserve natural resources – and we take strong action on them.

Our [Environmental Policy](#) sets out the key elements of our approach. In addition to complying with all applicable standards and regulations, we maintain an ISO 14001:2015 certified environmental management system (EMS), which helps us set performance targets and pursue continuous improvement. Our EMS focuses on three areas:

**Climate change** – Reducing greenhouse gas (GHG) emissions and taking measures to ensure our facilities are ready for the expected future effects of climate change. We're working toward reducing our GHG emissions from 2006 levels by 20 per cent by 2020, and by 80 per cent by 2050.

**Healthy environment** – Mitigating the environmental impacts of airport operations by managing issues such as stormwater runoff and the prevention of wildlife strikes by aircraft.

**Resources** – Tracking the resources we use and the waste we generate, as part of a broader evolution toward a circular economy that minimizes waste and gets maximum value out of the materials we consume before disposing of them.

The GTAA works with air carriers, concession holders and other commercial businesses that operate at Toronto Pearson to advance sustainability initiatives. We work with our airline partners to promote processes and technologies that lower aircraft fuel burn, which is a large contributor to GHG emissions. At the same time, reducing fuel consumption clearly represents a substantial cost-savings opportunity for our partners.

# STAKEHOLDER ENGAGEMENT

Toronto Pearson is part of a global aviation sector that is constantly evolving its policies, practices and technologies. What's more, we operate in a prosperous region that is steadily growing in terms of both economic prosperity and cultural diversity. Our stakeholders represent a complex network of groups and organizations. All play critical roles in helping us maintain and improve our connections to local communities, deliver best-in-class customer service, operate safely and address stakeholders' priorities.

We're not only accountable to our stakeholders – we believe their input makes our policies, plans and practices better. That's why we constantly evaluate and modify how we engage with specific groups on the issues that matter most to them.

## WHO ARE OUR STAKEHOLDERS

We identify our stakeholders as passengers and other airport users, as well as anyone who influences or is affected by Toronto Pearson's operations. This includes our surrounding communities, our business partners, the people who work here and anyone with economic ties to our airport – including service providers, businesses and organizations with a need for connectivity, as well as institutional investors.

The diagram below shows the stakeholder groups we engage with most regularly:





## PASSENGERS

Our airport served 47.1 million passengers in 2017, a 6.2 per cent increase over 2016, with international traffic accounting for much of the gain. Toronto Pearson is now the second-largest international airport in North America, as measured by the total number of passengers who pass through our airport each year on international flights.

### HOW WE ENGAGE

- Passenger surveys
- Airport Service Quality (ASQ) passenger satisfaction survey
- Customer and passenger feedback kiosks
- Web portal for passengers, visitors and the community ([torontopearson.com](http://torontopearson.com))
- Social media channels (e.g., Twitter, Facebook, LinkedIn, Instagram)

### 2017 HIGHLIGHTS AND KEY TOPICS

- Achieved a 4.31 ASQ score, making Toronto Pearson the number one airport in North America and Europe. Results are strictly based on passenger feedback and rate a range of amenities and services, including dining options, wait times and internet access.
- Learn more at [The Higher the Quality](#)

## GTAA EMPLOYEES

The GTAA employed approximately 1,600 people as of December 31, 2017. Our employees work in management, technical, administrative and other operational roles; some are seasonal employees hired for deicing and airfield maintenance.

### HOW WE ENGAGE

- *I am Toronto Pearson* workshops
- Annual employee feedback survey
- Annual safety climate survey
- *Coffee with Howard* sessions for employees to engage with our CEO
- All-employee town hall meetings
- People Leaders Forum
- Anonymous complaints and whistle-blowing
- Updates on corporate intranet
- Evening of Excellence employee recognition event
- Airport employee tours (e.g., airside terminal, YYBeeZ hives, stormwater management)

### 2017 HIGHLIGHTS AND KEY TOPICS

- Achieved a 69 per cent employee engagement score, up from 66 per cent in 2016.
- Action plans implemented in response to employee feedback included improving business processes to help everyone work more efficiently, refining our onboarding process for new hires and creating a people manager curriculum.
- 186 employees participated in *Coffee with Howard* discussion sessions. Topics, which varied by department, included Toronto Pearson's mega-hub strategy, the proposed regional transit centre, leadership and coaching for employees, and technology processes and improvement.
- Reached a tentative settlement, in December 2017, on a three-year-renewal collective bargaining agreement with the Pearson Airport Professional Fire Fighters Association (PAPFFA) that was subsequently ratified by members.

## AIRPORT EMPLOYEES

Approximately 49,000 people are directly employed at Toronto Pearson. The GTAA and other airport employers share a commitment to provide high-quality customer service and to operate in ways that make safety a top priority while considering the needs of passengers and peers.

### HOW WE ENGAGE

- *I am Toronto Pearson* campaign and workshops
- Annual safety climate survey
- Employee updates on the Toronto Pearson website
- Electronic and printed newsletters
- Cross-functional airport working groups
- Airport employee tours (airside and terminal)

### 2017 HIGHLIGHTS AND KEY TOPICS

- Some 10,000 Toronto Pearson employees engaged in the *I am Toronto Pearson* campaign.
- *People of Pearson* showcased employees on social media.
- The Toronto Pearson Safety Index was extended to include non-GTAA employees.

## AIRPORT SERVICE PROVIDERS

Toronto Pearson's service providers include ground transportation services, airlines, aviation services and tenant enterprises. We work together to manage customer needs and issues, as well as day-to-day operational requirements.

### HOW WE ENGAGE

- Airline Consultative Committee
- Technical Subcommittee
- Commercial Affairs Subcommittee
- Passenger Operations Subcommittee
- Airside Operations Subcommittee
- Irregular Operations Subcommittee
- One-on-one meetings (Safety Summits Labour Council)

### 2017 HIGHLIGHTS AND KEY TOPICS

- In collaboration with Toronto Airport Workers Council, we undertook benchmark research on practices related to work arrangements and identified opportunities for improvement in contract renewals and procurement. Future collaborative work will focus on completing a comprehensive demographic profile of the airport workforce.

# REGIONAL COMMUNITIES

Toronto Pearson is bordered by three of Canada's largest municipalities: Brampton, Mississauga and Toronto. Each is made up of many distinct neighbourhoods.

## HOW WE ENGAGE

- General community engagement phone line and email
- Noise complaints phone line at WebTrack
- Community section of the Toronto Pearson website
- Community Environment and Noise Advisory Committee (CENAC)
- *Checking In* monthly email newsletter
- Toronto Pearson Volunteer Program
- Events, town halls and meetings (in the community and at Toronto Pearson)
- Large-scale community events
- Community tours
- Corporate giving – via the Propeller Project
- Social media channels

## 2017 HIGHLIGHTS AND KEY TOPICS

- More than 10,000 residents provided feedback related to the 2017–2037 [Toronto Pearson Master Plan](#) through forums such as public workshops, the *Survey on Airport Growth and Noise Fairness*, open houses at Toronto Pearson and CENAC meetings.
- Extensive engagement related to the [2018–2022 Noise Management Action Plan](#), including workshops, a community survey and a panel of 36 randomly selected residents that met on four occasions.
- More than 2,500 community members completed our 2017 *Survey on Airport Growth and Noise Fairness*, which was sent to 20,000 randomly selected homes across the GTA and was available online for any resident to complete.
- Town hall meetings related to runway construction – as well as new flight paths that created noise issues in recently developed areas around the airport – led to the creation of a construction communication and engagement protocol.
- CENAC held five public meetings. Major topics of discussion were the [2018–2022 Noise Management Action Plan](#) and noise issues in the areas affected by construction-related flight path changes.
- Formed an external champions council, with representation from local communities and businesses, to provide input on future priorities and goals of the Propeller Project community investment program.
- Grew the Toronto Pearson Volunteer Program to more than 1,300 volunteer hours per week. Under the Program, community members greet passengers, answer questions and provide wayfinding assistance in both the pre- and post-security areas of Terminals 1 and 3.
- Attended nearly 100 community events across the GTA.
- Committed nearly \$800,000 in support of 24 community projects – including Scientists in School, CivicAction, ACCES Employment and others –which benefited more than 67,000 residents.
- Social media followers at the end of 2017:
  - Twitter: 49,479
  - Facebook: 171,837
  - LinkedIn: 14,571
  - Instagram: 18,844

# FACILITATION AGENCIES

The GTAA works closely with the Canadian Air Transport Security Authority (CATSA), Canada Border Services Agency (CBSA) and U.S. Customs and Border Protection (USCBP) to share information, address security and facilitation issues, and coordinate long-term operations and facility planning.

## HOW WE ENGAGE

- Meetings with local leadership of each of CATSA, CBSA and USCBP

## 2017 HIGHLIGHTS AND KEY TOPICS

- Continued our focus on enhancing the pre-boarding experience by speeding up passenger processing. For example, security screening wait times at Terminal 3 are now three times faster thanks to our work with CATSA over the past three years, which has included investments in new technology.

# GOVERNMENTS AND REGULATORS

We actively engage with municipal, provincial and federal governments, and with federal and international regulators (e.g., NAV Canada, the International Air Transport Association), on a range of environmental, social and economic issues that affect the GTAA and the broader air transportation industry.

## HOW WE ENGAGE

- One-on-one and community meetings

## 2017 HIGHLIGHTS AND KEY TOPICS

- Engaged with all levels of government on major topics like the 2017–2037 [Toronto Pearson Master Plan](#) and the [2018–2022 Noise Management Action Plan](#).
- Worked closely with NAV Canada on a variety of initiatives related to airport growth and noise management, including the [2018–2022 Noise Management Action Plan](#) and a three-phase [Noise Mitigation Initiatives Engagement Plan](#). We also considered recommendations put forward in the GTAA-sponsored Noise Management Program Best Practices Report, as well as the NAV Canada Independent Toronto Airspace Noise Review.
- Partnered with Metrolinx in planning for the proposed regional transit centre at Toronto Pearson.
- Conducted our biannual survey of 80 municipal, provincial and federal government officials and staff to assess their perceptions of the GTAA. A significant majority, particularly those at the federal level, expressed largely positive views of Pearson and the GTAA. However, there were more neutral or negative scores than in the past from local municipal and regional leaders, some of whose constituents were affected by runway renovation (and the resulting alteration of flight paths) in the spring of 2017.
- Continued negotiations with the City of Mississauga over its stormwater levy.
- Attended or hosted a total of 1,063 government briefings and meetings.



# MEDIA

The media plays an important role in providing public updates on Toronto Pearson operations – including delays and cancellations – and in communicating broader airport initiatives.

## HOW WE ENGAGE

- Interviews
- Social media
- News releases
- Media statements

## 2017 HIGHLIGHTS AND KEY TOPICS

- Severe weather affecting flight schedules.
- Airfield construction project in spring 2017.
- Swissport labour action in summer 2017.

# AVIATION INDUSTRY

We are actively involved with regional airports, industry organizations and professional associations such as the Canadian Airports Council (CAC), Airports Council International (ACI), the International Air Transport Association (IATA) and the International Civil Aviation Organization (ICAO).

## HOW WE ENGAGE

- Industry association meetings, conferences and working groups

## 2017 HIGHLIGHTS AND KEY TOPICS

- Formally launched the Southern Ontario Airport Network – in collaboration with local airports serving Hamilton, Niagara, Windsor, downtown Toronto (Billy Bishop), London, Kitchener-Waterloo, Lake Simcoe, Oshawa, Peterborough and Kingston – to develop a more integrated regional air transportation network.
- Reaffirmed our Level 3 certification in ACI's Airport Carbon Accreditation Program.

SUSTAINABILITY OVERVIEW

# PRIORITIES AND PERFORMANCE

**The GTAA tracks and measures key sustainability indicators to help manage performance and drive continuous improvement.**

We have developed a downloadable [Sustainability Management Approach and GRI Index](#), which includes the management approach, metrics and performance data included in our online annual report, as well as GRI data and additional content in accordance with the GRI Standards: Comprehensive option (self-declared). Our GRI reporting includes the Airport Operators Sector Disclosure, which the GTAA helped to develop in 2011.

We continue to use an internal verification program to review Toronto Pearson's performance data – including, but not limited to, assessing how data was captured, collected, reviewed and reported. We evaluated a sample of information related to the performance indicators to confirm that a documented process and adequate controls are in place; this ensures our ability to present consistent and accurate data. The GTAA does not currently have a policy or mandate with respect to externally assuring our non-financial reporting.

We review priority topics every two or three years – but we listen to and engage with stakeholders on an ongoing basis.



## OUR PRIORITIES

Due to the evolving nature of the global aviation industry, the GTAA has committed to reviewing our priority (material) topics every five years. However, we address specific stakeholder priorities and concerns on an ongoing basis. We will next review our priority topics by 2020.

In our 2015 Annual Report, we undertook a thorough review of priority topics by reassessing those identified in the previous year's report. To determine priority reporting topics, we considered stakeholder feedback gathered through surveys and other methods, as outlined in the Stakeholder Engagement section of this report.

We also looked at our priorities from an internal perspective – for example, how they aligned with the goals outlined in our strategic framework, and with leadership insights shared during annual in-person interviews conducted with members of the GTAA's executive team.

# OUR PRIORITY TOPICS

The diagram below provides a present-day view of our corporate responsibility priorities. They are tied to our 20-year strategic goals, which were developed to reflect what is most important to the GTAA and its stakeholders, along with areas where our impact is considered to be most significant.



## SAFETY

Lost-time injuries (LTI) reduction  
Promoting a culture of safety and security  
Safety and security management systems  
Toronto Pearson Safety Index Program



## PASSENGER AND CUSTOMER SERVICE

Airport Service Quality (ASQ)  
Efficient passenger flow per ICAO standards  
Service Level Agreements and performance standards with major airline partners  
Ground transportation



## CORPORATE RESPONSIBILITY – SOCIAL

Economic impact and opportunities  
Community engagement  
Noise management



## CORPORATE RESPONSIBILITY – ENVIRONMENTAL

Energy  
Climate-change adaptation  
Greenhouse gas emissions  
Waste and stormwater management  
Deicing and anti-icing fluid



## AVIATION GROWTH

Airport capacity  
Long-term partnerships  
Public policy and compliance



## FINANCIAL SUSTAINABILITY

Net income  
Return on assets  
Free cash flow generation  
Business continuity



## ENGAGED PEOPLE

Employee engagement  
Talent acquisition  
Talent development  
Rewards and recognition

# PERFORMANCE SCORECARD

GOALS AND PERFORMANCE METRICS	2016	2017	PROJECTED
<b>AVIATION GROWTH</b>			
Passenger traffic (millions)	44	47	51 (2018)
Aircraft movements (thousands)	456	465	510 (year 2020)
Cargo volume (tonnes)	472,300	534,500	590,000 (year 2020)
New international cities (net increase)	10	11	Continue to increase in new international destinations
<b>PASSENGER AND CUSTOMER SERVICE</b>			
Airport Service Quality (ASQ)	4.25 Second in North America and 13th in the world (>40MM passengers)	4.31 First among North American and European airports (>40MM passengers)	Top 10 of World Airports (in the same size category) for ASQ
Customer complaints per million passengers*	52.7	74	Continue to improve the passenger and customer experience
Customer compliments per million passengers*	9.4	11	Continue to improve the passenger and customer experience
<b>ENGAGED PEOPLE</b>			
Employee engagement (Aon Hewitt)	66%	69%	Top quartile among Canadian employers by 2019
Direct jobs	49,000	51,000	By 2030, it's estimated that Toronto Pearson could generate and facilitate 542,000 jobs in Ontario.
Diversity	<i>Diversity (% employees)</i> Women: 27.2% Aboriginal peoples: 0.8% Persons with disabilities: 0.7% Visible minorities: 19.7%	<i>Diversity (% employees)</i> Women: 28.4% Aboriginal peoples: 0.9% Persons with disabilities: 0.7% Visible minorities: 20.7%	The GTAA views diversity as one of our most competitive advantages; it ensures our ability to meet the demands of a challenging marketplace. At the GTAA, we strive to create a workplace that reflects the diversity of the community we serve. To us, it is critical to ensure fair employment practices and treatment of our employees across our organization.
Average salary	<i>Women</i> Managers: \$113,000 Non-Managers: \$69,000  <i>Men</i> Managers: \$120,000 Non-managers: \$78,000	<i>Women</i> Managers: \$114,932 Non-Managers: \$74,798  <i>Men</i> Managers: \$130,522 Non-Managers: \$83,456	The GTAA embraces its obligations under federal employment equity and human rights legislation; hiring practices are determined based on the individual, irrespective of the gender and background of employees.
<b>SAFETY</b>			
Toronto Pearson Safety Index (lost-time injuries per million enplaned and deplaned passengers)	7.78% reduction from 2015	6.5% reduction from 2016	Vision of zero lost-time injuries



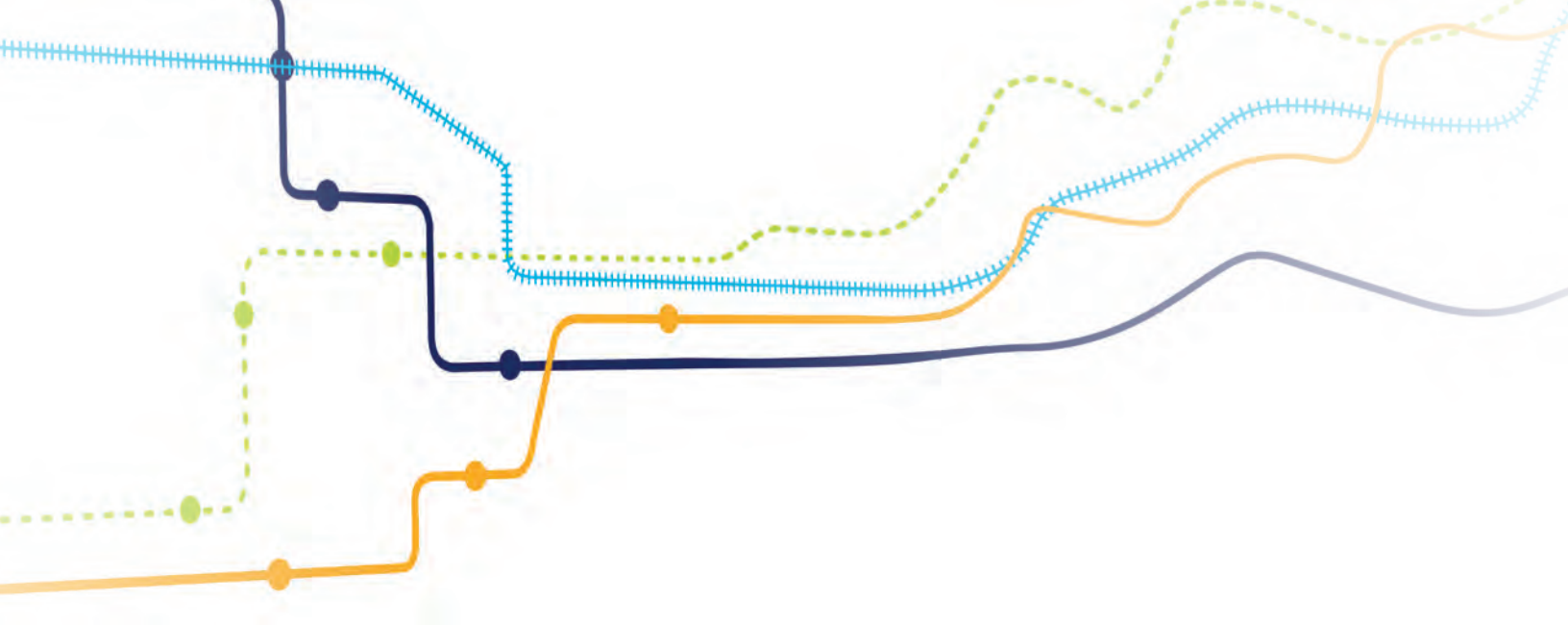
GOALS AND PERFORMANCE METRICS	2016	2017	PROJECTED
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## CORPORATE RESPONSIBILITY – ENVIRONMENTAL

Stormwater	Refer to 2016 GRI Index	Refer to GRI Index	
Ambient air quality	The results from the modelling indicated that the air quality in the study area is dominated by the regional emissions, in particular those associated with transportation in the study area		Develop and implement an action plan associated with the Air Quality and Human Health Risk Assessment
Solid waste	74% diversion	71% diversion	Develop a roadmap for GTAA to achieve zero waste
GHG emissions and climate change	Airport Carbon Accreditation Program – Level 3	In 2017, the GTAA increased its use of electric vehicles and installed charging stations for electric fleet vehicles and for employees in the parking lots.	80 per cent reduction by 2050
Energy conservation (MWh)	4,100 MWh	5,000 MWh	\$10M in expected savings by 2026 from the GTAA's LED projects
Natural gas (GJ) Gasoline (litres) Diesel (litres)	Natural gas: 412,886 GJ Gasoline: 447,415 litres Diesel: 1,449,330 litres	Refer to GRI Index	Continue to implement the energy conservation and efficiency initiatives identified in the 2015–2019 Energy Master Plan to reduce consumption
Sustainable transportation	Introduced Green Commuter Rebate Program: \$50/month rebate for GTAA employees taking a green mode of transportation to/from work	Over 200 employees registered for the Green Commuter Rebate Program	Continue to increase participation in the Green Commuter Rebate Program

## CORPORATE RESPONSIBILITY – SOCIAL

Noise	53,135 complaints from 880 callers	168,676 complaints from 2,399 callers	2018–2022 Noise Management Action Plan
Community Investment Impact (Propeller Project participants)	29,499 participants	Committed nearly \$800,000 in support of 24 community projects – including Scientists in School, CivicAction, ACCES Employment and others – which benefited more than 67,000 residents	Continue to support community investment opportunities



## WE WELCOME YOUR FEEDBACK

If you have any questions or comments regarding this report, or suggestions for topics you'd like to see covered in future reports, please write to us at:

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or send an email to [Publication@GTAA.com](mailto:Publication@GTAA.com).

Thank you for your interest.

The Greater Toronto Airports Authority (GTAA) was incorporated in 1993 and manages Toronto Pearson International Airport under terms set out in our December 1996 lease with the Canadian federal government.

Download the full GRI Standards Index at [torontopearson.com/ar2017/downloads/Sustainability\\_Management\\_Approach\\_and\\_GRI\\_Index.pdf](http://torontopearson.com/ar2017/downloads/Sustainability_Management_Approach_and_GRI_Index.pdf)

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