

THE PROOF IS IN OUR ACCOMPLISH MENTS



Thank you for joining us for another year of our exciting sustainability story.

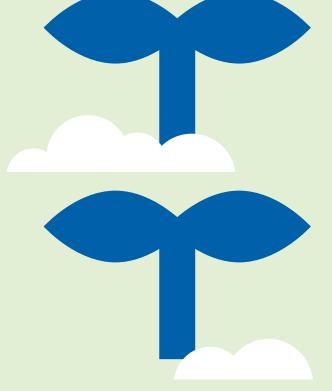
Being dedicated to sustainability is one of our five core values, and every business decision our organization makes is driven by the triple-bottom-line of sustainability. We focus our efforts on the environmental, financial and social aspects of our business.

The past year was full of milestones and innovations. To give just a few examples, hundreds of millions of dollars in collaborative investments led to significant business and job growth on our property in 2018. Air Canada's inaugural flight to San Francisco was fueled by biojet fuel, reducing the flight's carbon emissions by over 10 tonnes, a 20 per cent reduction in net carbon emissions. We collaborated and supported the educational non-profit Elevate Aviation, and we worked with our government partners on the Airport Accord to spur regional economic development. Central in everything that we do is our collaboration and our actions for the benefit of the community. That's why we identified and added a new noble cause to our guiding principles – **Uniting people for a world of new possibilities**.

As we embark on our long-term strategic planning, we are looking forward to the vision discovered in the upcoming 2020-2045 Master Plan that will guide us to a sustainable future, full of new possibilities.

View our 2019 Annual Report.

OUR LONG-TERM COMMITMENT TO SUSTAINABILITY



At Edmonton Airports, sustainable thinking is an important component of everything we do.

We consider the triple-bottom-line of our operations. This means we manage airport assets responsibly, support environmental stewardship and drive regional economic prosperity. We make decisions that are conscious of our community's interests, respond to airline priorities and consider our employees' and passengers' needs.

For each aspect of the triple-bottom-line – financial, environmental and social sustainability – we take a two-pronged approach:

Transparency and Awareness

Investing in research and sharing knowledge.

Engagement and Action

Taking action that uses shared knowledge to lead to positive change.

With these two categories, we ensure that we are thoughtful about stakeholder engagement, communication and measurable targets and initiatives.

Our sustainability journey has been a priority for many years. Our progress can be divided into five phases.

Phase 1 (2007-2008) - Initiation

Initial efforts to understand the value of sustainability and the benefit to the business.

Phase 2 (2009-2010) - Establishment

Here we increased our efforts on the social aspects of sustainability where we improved our efforts for the passengers, and increased employee support, and transparency on sustainability in our Annual Report.

Phase 3 (2010-2013) - Development

We expanded our commitment by building our new tower and terminal to LEED Gold standards (the first airport in Canada).

Phase 4 (2014-2017) - Integration

With the groundwork in place, EA took a significant step forward to integrate sustainability into everything we do:

- Implementation of the corporate scorecard
- The elevation of risk management in project decision-making
- The development of the Corporate Sustainability Program
- Collaborative development of the Annual Sustainability Report using guidance from the Global Reporting Initiative framework
- Major facility upgrades, for example the expansion and improvement of our stormwater treatment facility.

Phase 5 (2018-2021) Expansion

In this phase, we progressively include sustainability principles, such as stakeholder integration and waste reduction, into our corporate policies and our **2020-2045 Master Plan**. This plan will be produced together with a detailed 10-year Capital Plan.

Three of the main ways we integrate sustainability in our 25-year planning are:

- Considering the impact of forecast climate change on our assets
- Including different energy sources in our long-term planning
- Stakeholder collaboration for aligned plans

MEHAVE
MASSIE LA SERVICIO DE LA SERVICIO DEL SERVICIO DEL SERVICIO DE LA SERVICIO DE LA SERVICIO DE LA SERVICIO DE LA SERVICIO DEL SERVICIO DEL SERVICIO DEL SERVICIO DE LA SERVICIO DEL SE

OUR VALUED PARTNERSHIPS

We recognized that even with our personal-best passenger number of 8.2 million, our purpose at Edmonton Airports goes beyond passenger growth.

We created a Noble Cause – Uniting people for a world of new possibilities – to represent what inspires us to work together every day.

To ensure our activities are aligned with the needs of our community as we move forward with our 25-year planning, we developed new partnerships in 2018 that can be organized into the triple-bottom-line categories.

Financial

An important component of our financial developments is our valued private partners who have helped invest more than \$750 million into new businesses at Edmonton International Airport since 2012. These investments have brought new construction and full-time jobs to the region, and will have a long-lasting impact on our community.

To continue to support our long-term economic impact and ensure its alignment with our region, we joined our partners to form the Airport Accord. Through this, we work with the City of Edmonton, the City of Leduc and Leduc County to create regional frameworks for a unified vision for sustainable economic growth, shared investment in infrastructure resources, regional transportation and land use. This is a unique agreement in Canada, and we are delivering value for the whole region. This long-term planning will also feed our Master Plan to show not just how our property will change, but how we change together with our surroundings.

Environmental

We developed significant outreach to a wide range of partners to understand the vision of our region. More efficient energy production and use is important for all of us, and we assessed new opportunities for collaboration. We also support research on a regional waste inventory together with the University of Alberta and the City of Edmonton.

Social

A new development in 2018 was a partnership with Elevate Aviation. Elevate Aviation is an exciting new non-profit organization that is working to promote aviation education to women and other underrepresented groups. They offer hands-on programs to different schools in the region to connect young people to the many job opportunities in the aviation sector. EIA is a proud partner of this organization and provides office space to support their work, and many of our employees volunteer their time. EIA also provides an annual bursary to support an upcoming woman in aviation.



OUR 2018 HIGHLIGHTS

COMMITMENTS MADE FOR 2018 (IN 2017 SUSTAINABILITY REPORT)	2018 ACTIONS
Continue our study in asset management and digital innovation to optimize the use of our facility	Through engagement with internal stakeholders, we produced a Strategic Asset Management plan and a framework for our corporate-wide digital strategy.
Continue to increase stakeholder engagement on Master Planning, Energy Management Planning, emissions and sustainable energy source opportunities	We organized internal information sessions, connected with each strategic business unit and collaborated with government to prepare our different plans.
Develop an Energy Policy and Energy Management Program for the entire EIA site	We enacted an Energy Policy and created an Energy Management Program aimed at reducing EIA's energy use and carbon emissions.
Support developments in transit connectivity and electric vehicles	Working with the Airport Accord, we supported the creation of an Edmonton Metropolitan Region transit program that connects the City of Leduc, Edmonton International Airport and the City of Edmonton.
Assess the impact of climate variability on our assets	As a member of the stakeholder group for the City of Edmonton climate change mitigation project, we participated in a high-level assessment of potential impacts to our core infrastructure. We also were sponsors of the 2018 IPCC Cities and Climate Change conference.
Complete the development of the waste management plan	Collaborating with the City of Edmonton and the University of Alberta, we prepared an in-depth assessment of our on-site waste production. We have a waste management plan and aim to extend the program in 2019.
Enhance sustainability training for employees	To improve employee understanding of sustainability, we created an interactive and detailed site on our intranet to increase the transparency of our projects.
Implement employee diversity training	Working with Norquest, our HR team developed an extensive employee diversity training, and 90 per cent of employees completed the training.



FINANCIAL SUSTAINABILITY



External economic impact

Edmonton International Airport and Villeneuve Airport are economic drivers of our region. Our growth supports the growth of the community, and as the community grows it contributes to our development. Considering the economic impact of our decisions is essential to the fulfillment of our corporate mission. In 2017, our economic impact study identified that we contribute to \$3.2 billion in economic output and support 26,000 jobs in the region.

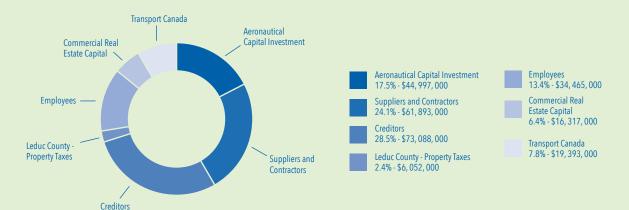
Internal financial planning

We organize our targets through our corporate scorecard. The five strategic objectives of our corporate scorecard drive activities to support our finances, customers, community, processes and employees. In 2018, we put a stronger focus on our financial targets, pushing for efficient spending, increasing revenue and reducing the cost to airlines per enplaned passenger. Moreover, each of our strategic business units received its own specific financial target to control the efficiency of different teams.

We increased the diversity of our revenue streams with the opening of new businesses on our property. By enhancing non-aeronautical revenues, we increase the financial stability of our business and can support our aviation operations.

The diagram below identifies our 2018 spending. We believe that where we spend our money makes a difference, and so we encourage purchasing from local service providers and good producers.

DIRECT ECONOMIC VALUE DISTRIBUTED



DIRECT ECONOMIC VALUE GENERATED

\$233,801,000
Revenue

ENVIRONMENTAL SUSTAINABILITY

Our Environmental Management Plan guides our activity for our environmental commitments. Successful service delivery and airport management depends on conscientiously using land, air, water and energy. Each year, we update our plan to reflect the interests of internal and external stakeholders, including government, airlines and tenants. Moreover, we annually update and renew our Environmental Policy to underline our commitment to going beyond compliance.



Existing Program

to Be Enhanced

Future Consideration

Program Being Developed



SOLID WASTE



WATER QUALITY



AIRCRAFT DEICING



ENERGY AND CARBON MANAGEMENT



FUEL STORAGE SYSTEM



AIRCRAFT NOISE



IMPACTED SITES



SPECIES AT RISK



ENVIRONMENTAL IMPACT ASSESSMENT



HAZARDOUS MATERIALS SPILL RESPONSE



OZONE DEPLETING SUBSTANCES



LAND USE



WATER USE



AIR QUALITY



SUPPLY CHAIN



GREEN BUILDING CONSTRUCTION & OPERATION



HAZARDOUS BUILDING MATERIALS



TENANTS



26% of bulbs were replaced with LEDs between 2015 and 2018

Continuing with our carbon-neutral growth target – 49,465 tCO2e

Airport Carbon

Accreditation Level

1 - on path to next

level

The energy intensity of our terminal building has decreased by 47% since 1997

As part of our high-level review of corporate policies to include sustainability, we have developed new Energy and Asset Management priorities. The executive level commitment to energy efficiency and life-cycle-costing allowed for the enhancement of other energy developments.

Our new Energy Management Program considers the importance of change in people, process and projects over the next five years. Through our cross-SBU Energy Team, we developed a tool to categorize and prioritize different potential infrastructure projects and their impact on emissions reduction. (see page 10)

WHY ENERGY MANAGEMENT MATTERS



Alignment with Stakeholders



Social Responsibility



Climate
Change & CO₂
Reduction



Conservation of Natural Resources



Energy Cost Savings

WE'RE DOING MORE TO ACHIEVE LESS.

ENERGY PROJECT PRIORITIZATION

LESSER CARBON REDUCTION
LESS EFFORT

EMISSIONS
REDUCTIONS

LESSER CARBON IMPACT
HIGH EFFORT

SIGNIFICANT CARBON REDUCTION
CONSIDERABLE EFFORT

IMPLEMENTATION AND OPERATION

EDMONTON As a component of the Airport Accord, we supported the development of a new transit network connecting City of Leduc, EIA and the City of Edmonton. We also have buses connecting employees, passengers and customers throughout our property. This is particularly important with the expansion of on-site businesses in our Airport City. **BEAUMONT** 625 **NISKU EDMONTON INTERNATIONAL AIRPORT** 814 **LEDUC** 623 11

SOCIAL SUSTAINABILITY

Alberta Top 75 employer

accessed the Alberta
Job Grant for
digital, leadership
and industry
innovation
training

Our employees

Our investment in our employees is part of our commitment to sustainability principles. Diversity and inclusion are crucial to our long-term success. Different perspectives help the organization grow, and we take pride in the global community that works together in our office and our terminal. In 2018, we created an employee diversity training program together with Norquest College to show our commitment to a positive and inviting environment. From our board, down every level of our organization, inclusiveness and equity, stands out in our multi-disciplinary departments.

We know that each of our employees have useful skills that can be valuable outside of their departments, so we encourage cross-department collaboration for major projects throughout the airport. Beyond the project work we have increased our focus on training. This helps to create a culture that is always learning, preparing our employees for changing technology and our unpredictable environment. We ask our employees to inform each other through job-shadowing and Lunch & Learn gatherings. Many employees and leaders participate in conferences, workshops, and classes, and we have utilized the Alberta Jobs Grant program to offer new training opportunities to our groups. Connecting one-on-one with our employees and organizing surveys and social events allows us to identify their needs and contributes to positive labour relations.

Our employees make everything possible for the business. In return, we want to make success possible for them.

Our 299 employees:

- 50 per cent of executive team is female
- 33.8 per cent of all employees are female
- 3 per cent Indigenous*
- 10 per cent visible minority*
- 1 per cent persons with disabilities*

^{*}Numbers are self-reported.

Our passengers

We gather passenger input through the Airport Service Quality survey, a survey used globally, developed by Airports Council International. We track the different responses to questions about the atmosphere, concessions, security, parking and other issues and then respond to areas that need change. Next to welcoming our new restaurant, Deluxe Burger Bar, to the terminal, we also updated and developed new spaces for passengers. In 2018, we repainted and refurbished our interfaith chapel to meet the needs of the different users. Additionally, in October 2018, we opened the first baby-care room in the domestic and international boarding lounge. This gives new parents a quiet, comfortable and private area to feed their children. The private space has curtains, and is complete with art from Edmonton public schools, rocking chairs and toys.

Our barrier-free committee remains active, to review our facility for passengers of all different needs, and disability awareness training is offered every month for any employee working in the terminal. The barrier-free committee meets three times a year and considers new tools to create a better experience for people with different needs, such as hearing loops and wayfinding apps for the sight-impaired.

Another way we responded to passenger needs was our new CATSA Plus screening system. CATSA Plus has been implemented in airports throughout Canada. The system has the potential to almost double the passenger throughput. Two new lanes were installed in 2018, and we will continue the replacement into 2019. With the development of a new security screening system we will also consider the accessibility of the system for families and people with specific needs.

We go the extra mile to ensure that our passengers have the resources they need and are as comfortable as possible. Our information booth is also a support booth, both guiding passengers and collaborating with the different organizations in the Edmonton community to ease the arrival of refugees and respond to the needs of stranded passengers. Our volunteer program and our pet therapy partners are integral parts of our commitment to our passengers.



Over 80 Airport
Volunteer
Ambassadors

9 therapy pet
volunteers visit
our terminal
partnership with
Pet Therapy Society
of Northern
Alberta

SAFETY IS ALWAYS PART OF OUR JOURNEY.

Safety and Security first is one of our core values and it is part of the way we do business every day. All our employees—from the office, to the terminal, to the airfield and commercial lands—are commited to keeping each other safe. We direct our efforts to preventative safety activities and also track aviation, passenger, employee and contractor incidents throughout the property to understand where there are concerns and how we can improve our performance. At the end of December 2018, we reported:

- 17 months of zero lost time incidents at the end of 2018
- 4th year receiving our certificate of recognition (COR)
- Around 50% decrease in total recordable incident frequency between 2017 and 2018

Our outstanding performance comes from our long-standing commitment to our employee safety. With regular training and transparent regular reporting, we have ensured that safety stays top-of-mind for our employees, whether they are in the office tower, on the airfield or in the firehall.

We continually look to expand our safety program so that our employees, passengers, and partners can return home at the end of the day and carry forward lessons learned. In 2018, we developed a Vision Zero plan to improve the ground transportation safety of our expanding facility. We looked to learn from the safety plan of the Province of Alberta, and the Vision Zero commitments of the City of Edmonton to further plan for traffic on our property.

We collaborated with on-site safety and security partners to host another successful Canadian Airport Safety Week at EIA.

 12 in-terminal businesses engaged in Canadian Airports Safety Week



SOCIAL SUSTAINABILITY

Our community

We continue to participate in community events like the Servus Heritage Festival and promote events throughout the Edmonton Metropolitan Region. We also donate to a variety of charities like Youth Empowerment Support Services, Make-a-Wish Northern Alberta, Dreams Take Flight, the Leduc and District Food Bank and Riseup Society Alberta. You can read more in our 2018 Annual Report. EIA prides itself in being a reflection of its community and we will continue this into the future and we work with community partners to reach out to potential new airport team members. Through our employee volunteer program and our annual employee donation matching program, our employees are encouraged to give back to their communities.

38% of employees participate in our volunteer program

Partnerships with over 100 organizations

For the second year, EIA hosted a National Indigenous Peoples Day Cultural Celebration alongside Enoch Cree Nation, Tribal Chiefs Employment and Training Services Association and the Métis Nation of Alberta. We invited members of the community, passengers and employees to celebrate this important day at our facility. We continue to work with Indigenous leaders and organizations to understand the best ways to work together, now and in the future.

Our relationships with our different partners are crucial for our long-term growth. By considering the shared benefits of our decisions, we can continue to develop in a way that fulfills our mission of economic prosperity.

OUR COMMITMENTS FOR 2019





Financial

- Increase internal financial reporting and monthly variance assessments.
- Develop asset management plans for core assets
- Increase the diversification of revenue

Environmental

- Improve spent fluid recovery from aircraft deicing
- Explore recycling capabilities with terminal partners
- Reduce our carbon footprint
- Educate employees and stakeholders on carbon and energy management
- Continue exploring collaborative energy opportunities with regional partners
- Reduce printing throughout the organization

Social

- Expand our support of Elevate Aviation education
- Participate in projects to reduce human trafficking
- Increase Indigenous engagement
- Internal Indigenous culture and history training
- Support veteran employment
- Develop the 2020-2045 Master Plan
- Expand our support of the local arts community

BACKGROUND

Edmonton Airports

Edmonton Regional Airports Authority (Edmonton Airports) is a provincially incorporated, financially independent, not-for-profit corporation. Edmonton Airports operates both Edmonton International Airport (EIA) and Villeneuve Airport (VA) in Alberta, Canada. By collaborating with our stakeholders and focusing on growing aeronautical and non-aeronautical industries, we use the airport land to create a vibrant Airport City.

Core Values

- Safety and security first
- Invested in our talent
- Own the outcome
- Doing the right things right
- Dedicated to sustainability



NOBLE CAUSE

Uniting people for a world of new possibilities

VISION

More flights to more places

MISSION

Driving our region's economic prosperity through aviation and commercial development

GOAL

10 million annual enplaned and deplaned passengers by 2025





THIS IS HOW WE CREATE A

AND

