

WELCOME TO OUR 2017 SUSTAINABILITY REPORT!

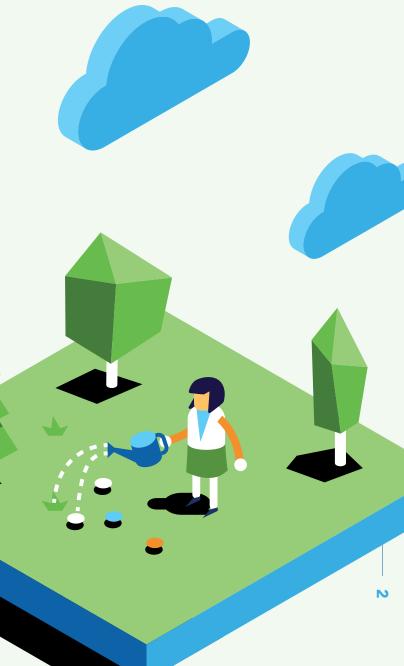
Edmonton Regional Airports Authority (Edmonton Airports) is a provincially incorporated, financially independent, not-for-profit corporation. Edmonton Airports operates both Edmonton International Airport (EIA) and Villeneuve Airport (VA) in Alberta, Canada. At Edmonton Airports we make decisions that are conscious of our community interests, and are committed to communal sustainable growth. We are committed to economic prosperity, environmental stewardship and community investment.

One of our core corporate values is 'Dedicated to sustainability'. Now, as we integrate sustainability into our corporate policies, sustainability is a component of everything that we do. We strive to support the community, reduce waste, optimize our assets, increase profitable revenue, engage our employees and collaborate with our stakeholders.

For the third year in a row Corporate Knights has recognized us as a Future 40 sustainable Canadian company.

Corporately, we have a two pronged approach to sustainability:

Transparency & Awareness – Investing in research and sharing knowledge
 Engagement & Action – Taking action, using shared knowledge, to lead to positive change



OUR ORGANIZATION

In order to deliver on our sustainability commitments, we are guided by our vision, mission and goal, and remain committed to our core values. Updates on developments at our airports are primarily focused on the Edmonton International Airport property as detailed below. Our appendices share data on both our EIA and Villeneuve Airport facilities.

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

CORE VALUES

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



EDMONTON INTERNATIONAL AIRPORT

Located in Leduc County
Total land area – 2,800 HA
Total terminal area – 143,043 square meters
26 bridges
15 ground loading positions
Runway 02/20 length – 3,352.1 meters
Runway 12/30 length – 3,109.8 meters
27 commercial airlines
138,043 aircraft movements in 2017
13,500 parking stalls
5 new non-terminal buildings under construction





VILLENEUVE AIRPORT

Located in Sturgeon County
Total land area - 573 HA
Total terminal area - 41.7 square metres
Runway 08/26 length - 1,525.3 metres
Runway 16/30 length - 1,065.5 metre
61,569 total aircraft movements
55 total parking stalls
29 total hangers



MOVING TOWARDS INTEGRATION

Over the last few years we have increased the amount of our sustainability story included in our Annual Report. Our <u>2017 Annual Report</u> represents our main sustainability story. It is just part of what we do and who we are!

We use this 2017 Sustainability Report to highlight some of the developments mentioned in our 2017 Annual Report and report on our key indicators in the appendices. Our highlights include our economic impact, stakeholder engagement, emissions commitments, and employee development.

Our <u>2017 Environmental Management Plan</u> describes our plans for moving forward specifically on the environmental component of sustainability.

SELF-DECLARATION

This report was prepared in accordance with the Global Reporting Initiative G.4 framework and the G.4. Airport Operator Supplement. This 2017 update, together with the 2017 Annual Report and the 2017 Environment Management Plan cover our corporate sustainability commitments. Additionally, in our index you will see that we have made long-term sustainability commitments in our 2010-2035 Master Plan. In 2018 we will evaluate different potential guidelines and standards for future reporting.

The reporting period is January 1st, 2017- December 31st, 2017.



2017 SUSTAINABILITY HIGHLIGHTS

In our 2016 Sustainability Report we presented our next steps for 2017. Below are the actions we took to support improvements in our performance.

TRANSPARENCY & AWARENESS

NEXT STEPS EXPRESSED IN OUR 2016 SUSTAINABILITY REPORT	2017 ACTIONS
Increase leadership education for employees	$43\ employees$ participated in leadership, management and executive training with the University of Alberta.
Continued expansion of our safety and security programs and associated training	We conducted 1 full scale security training exercise, and 5 tabletop security exercises.
Continue to increase stakeholder engagement on environmental and sustainability issues	Our employees participated in climate change workshops with the City of Edmonton. We also conducted stakeholder assessments on sustainability and environmental issues.
Increase integration of the Annual and Sustainability Report	We have linked the 2017 Sustainability Report and 2017 Environmental Management Plan with the 2017 Annual Report in a new online format.
Continue monitoring and contributing to the local and global emissions discussion	We have presented on sustainability internationally at the Airports Going Green and Airport Council International conferences. We have also shared our sustainability story with local organizations and universities.
Increased consideration of United Nations Sustainable Development Goals (UNSDGs) in planning processes	In 2017, in Dallas, Texas we signed the Airports Sustainability Declaration at the Airports Going Green conference, further solidifying our commitment on the international scale. This declaration is based on the UNSDGs.
Continue Respectful Work Place training programs	We have developed a new Diversity & Inclusion training program with our partner Norquest College and we will offer it to employees in 2018.

ENGAGEMENT & ACTION

NEXT STEPS EXPRESSED IN OUR 2016 SUSTAINABILITY REPORT	2017 ACTIONS
Updating our procurement policy with sustainability principles	We completed our new Procurement Policy in 2017. The process to develop our policy included internal and external stakeholder engagement on sustainability issues.
Developing an energy management plan to improve energy efficiency in the Air Terminal Building	Employees from all departments and all levels participated in an extensive energy assessment, which allowed us to identify a unifying energy management plan for our terminal.
Increase spent fluid recovery through upstream collection improvements and implement a sustainable recycling option	We explored different opportunities for spent fluid disposal to reduce environmental impacts, and have selected an option which meets the needs of our airline stakeholders. More information will be shared in 2018.
Update waste management processes tracking and labeling. Support communication and environment with employees, tenants and passengers to improve recycling rates	We have implemented a new online waste management tracking system with our partners Waste Connections. We also distributed 30 new waste sorting bins in our tower and terminal.



ECONOMIC PROSPERITY

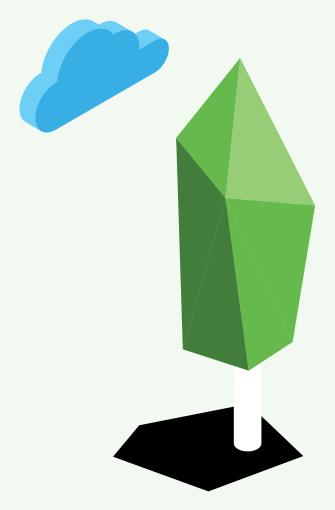
Edmonton International Airport and Villeneuve Airport are economic drivers in our region. We know that when we drive growth, this carries over and supports development far outside our boundaries. In 2017, we conducted a new Economic Impact Study to share our growth story. In 2017, the total economic output from airport activity was around \$3.2 billion! Read more in our 2017 Annual Report and our 2017 Economic Impact Study.

ENVIRONMENTAL STEWARDSHIP

Energy & Emissions

Energy and emissions have become an increasing area of interest in all levels of government, and in the aviation industry. Therefore, in 2017, we placed particular effort in advancing our developments and our performance. We continued our LED light replacement program, and increased our participation in local workshops on climate adaptability.

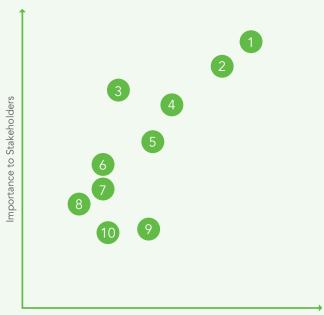
In 2017, our commitment to emissions reduction was recognized by Airport Council International North America. We received Airport Carbon Accreditation level 1. This program is the only institutionally-endorsed, global carbon management certification program for airports. Our emissions inventory was externally verified and approved according to international standards. This allowed us to review our calculation methods and improve understanding of our performance.



COMMUNITY INVESTMENT

Stakeholder Engagement

In 2017 we increased our engagement with stakeholders by conducting interviews with 14 stakeholder representatives from airlines, onsite service providers, tenants, communities, and government to support our understanding of what these groups prioritize. We also surveyed our employees to understand their perspectives and preferences. Our relationships with external groups and our connections with employees are important to the work we do, everyday. We used their perspectives to update our materiality matrix and identify the top 10 areas of interest, among many other vital activities and commitments.



Importance to EIA Employees

Areas of Interest

- 1. Safety and Security
- 2. Customer Satisfaction
- 3. Indirect Economic Impact
- 4. Economic Performance
- 5. Compliance
- 6. Effluent and Waste
- 7. Market Presence
- 8. Energy Usage
- 9. Climate Variability
- 10. Emissions

This prioritization provides input into the development of our key projects in the upcoming years. Additional areas relevant to our stakeholders and our employees can be found in our appendices.

Our Employees

All our activities, including sustainability, are only possible through the skills and dedication of our employee community. We are an equal opportunity employer, and we strive to promote and support the growth of our team. Team-building, group volunteering activities, increased and valued added training opportunities, and more frequent and structured employee - leader conversations have all been components of our 2017 employee strategy.

A diverse, inclusive, cooperative and engaging work place for all is essential to our success. We want our teams to be motivated to produce their best work, and represent the communities that we serve. In 2017, in partnership with Norquest College, we developed a Diversity and Inclusion training program to support a comfortable workspace for our team. We want our people to be motivated and produce their best work. An on-line training module will be rolled out in 2018.

We also held our first employee led idea proposal competition. Employees were encouraged to submit ideas and build business cases to support our passenger and employee experience. Our stakeholder partners from the City of Edmonton Smart City program supported our judges panel and we have decided to pilot a new virtual reality safety training program!

Our Airport City Community

Our dedication to sustainability is visible throughout our property. In 2017, we continued our planning for the long-term enhancement of sustainability on-site and initiated collaborative projects with our business partners and stakeholders. See more on our <u>sustainability map.</u>



CONCLUSION

We pride ourselves in our commitment to our corporate values. We have made many advancements in sustainability over the last few years, because we know it matters, and we know we can make a difference. We also know that we have many opportunities to continue to improve our performance and do 'the right things right' for our Airport City, now and in the future.

OUR PRIORITIES FOR 2018

Continue our study in asset management and digital innovation to optimize the use of our facility

Continue to increase stakeholder engagement on Master Planning, Energy Management Planning, emissions and sustainable energy source opportunities

Develop an Energy Policy and Energy Management Programs for the entire Edmonton International Airport site

Support developments in transit connectivity and electric vehicles

Assess the impact of climate variability on our assets

Complete the development of the waste management plan

Enhance sustainability training for employees (particular focus on procurement, waste, and energy)

Implement employee diversity training

