SUSTAINABILITY REPORT

2017

PORTS TORONTO



Keeping it Blue Green being Green



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60 Harbour Street, Toronto, ON M5J 1B7 Canada

The Toronto Port Authority, doing business as PortsToronto since January 2015, is a government business enterprise operating pursuant to the Canada Marine Act and Letters Patent issued by the federal Minister of Transport. The Toronto Port Authority is hereafter referred to as PortsToronto.

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PortsToronto's Sustainability Report is available online at PortsToronto.com.

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OUR PRIORITIES



ENVIRONMENTAL STEWARDSHIP

- **Energy and Climate Change**
- Regulatory Compliance
- Biodiversity and Stewardship
- Sustainable Site Design
- Waste Management

PEOPLE AND COMMUNITY

- Community Engagement

ECONOMIC PERFORMANCE

- Financial Self-Sufficiency
- City Building and Investing in Public Infrastructure
- Local Job Creation
- Contributing to Toronto's Economic Growth



CONTEXT FOR THIS REPORT

The Toronto Port Authority, doing business as PortsToronto, is proud to present our third annual Sustainability Report. Recognizing the importance of sustainability, this report summarizes PortsToronto's continued efforts to employ environmental best practices throughout all business operations.

PortsToronto is committed to engaging in an ongoing dialogue on opportunities to maximize sustainability efforts within our business, our operations and our community. Through our 2017 Sustainability Report, we continue to build upon the strong foundations and goals that we have set for ourselves both in previous editions of this report and throughout our longstanding legacy of environmental stewardship, social responsibility and collaboration with other government agencies and stakeholders to help manage Toronto's waterfront. This annual Sustainability Report aims to consolidate all of the work we are doing so that we can continue to measure our efforts and maximize the impact of our sustainability initiatives.

Our Sustainability Reports are structured around three priority areas that together define sustainability at PortsToronto:

- Environmental Stewardship
- Community Engagement
- Economic Performance

Our Sustainability Report is guided in part by the Global Reporting Initiative (GRI). The GRI has pioneered and developed a comprehensive Sustainability Reporting Framework that is widely used around the world. It includes guidance in four key areas: economic, environmental, social and governance performance. We use the GRI guidelines to inform our reporting and are working toward meeting the GRI's G4 Sustainability Reporting quidelines in our future reports.

REPORTING ON WHAT MATTERS

This year we undertook efforts to refine our sustainability priorities and to ensure that our report reflects the sustainability goals that are most relevant to PortsToronto, our government partners and our stakeholders. Together with the Delphi Group, we conducted two workshops with PortsToronto leadership and employees to evaluate these priorities. Our report reflects the areas of greatest importance to PortsToronto's sustainability efforts and these represent our areas of focus. In 2018, we will continue to refine our process for setting and meeting sustainability goals, and engaging external stakeholders for input as part of our effort toward fully meeting the GRI G4 guidelines.







PortsToronto is a federal government business enterprise that owns and operates Billy Bishop Toronto City Airport, Marine Terminals 51 and 52 within the Port of Toronto, the Outer Harbour Marina and various properties along Toronto's waterfront.

Responsible for the safety and efficiency of marine navigation in the Toronto Harbour, PortsToronto also exercises regulatory control and public works services for the area, works with partner organizations to keep the Toronto Harbour clean, issues permits to recreational boaters and manages the Leslie Street Spit site on behalf of partner agencies the Toronto and Region Conservation Authority and the provincial Ministry of Natural Resources and Forestry.

PortsToronto is committed to fostering strong, healthy and sustainable communities and has invested more than \$10 million since 2009 in charitable initiatives and environmental programs that benefit communities and organizations along Toronto's waterfront and beyond.

PortsToronto is financially self-sufficient, as required under the Canada Marine Act, and its activities and operations are not funded by taxpayers.

VISION

As a guardian and steward of Toronto's waterfront resources, PortsToronto works closely with the broader waterfront community to ensure these assets will provide prosperity and enjoyment for future generations.

MISSION

PortsToronto's mission is to effectively manage Billy Bishop Airport, the Port of Toronto, the Outer Harbour Marina and its real estate properties on a self-sustaining basis, allowing PortsToronto to reinvest funds into marine safety, environmental protection, community programming and transportation infrastructure. Through the successful pursuit of this mission, PortsToronto plays an important city-building role in the economic growth and sustainable future of Toronto.





WELCOME TO OUR ANNUAL SUSTAINABILITY REPORT

Welcome to our third annual Sustainability Report, an important document that we provide to our stakeholders, government partners and community to report on our initiatives and progress with regard to conducting our businesses in a sustainable manner. Within this report—and more broadly for the purposes of global reporting—sustainability is defined as being inclusive of economic performance, community engagement, and environmental initiatives and protection. As such, the information within this report is organized into these three main areas.

PortsToronto is in the business of providing gateways and making connections. Whether through Billy Bishop Airport, which welcomed 2.8 million travellers last year, or through the Port of Toronto, which received approximately 2.2 million tonnes of cargo on lake freighters and more than 5,600 passengers aboard cruise ships, PortsToronto is about making the connections that drive the economy and fuel growth.

As a financially self-sufficient organization that does not receive public funding, PortsToronto is proud of its ability to achieve and maintain profitability, as this puts us in a position to give back to our community and invest in initiatives, infrastructure and improvements that benefit Toronto. In fact, since 2009, PortsToronto has invested more than \$10 million in community and environmental initiatives supporting such initiatives as Evergreen Brickworks, Lake Ontario Waterkeeper, Waterfront Neighbourhood Centre and Ireland Park Foundation.

But with this important economic imperative comes an equally important community and environmental obligation. The Canada Marine Act sets forth a federal mandate for Canadian port authorities to contribute to the country's economy in a manner that balances trade and economic activities with the needs of the community and the protection of the environment. It is this mandate to balance commercial pursuits with community and environmental interests that is at the heart of how PortsToronto conducts its operations along Toronto's mixed-use waterfront.



In 2017, PortsToronto made great strides in our sustainability efforts. From the opening of our Ground Run-up Enclosure (GRE) to reduce noise impacts, to the continued revitalization of our waterfront through our community vegetable garden, wildlife habitat development and harbour honey projects, this year's focus has been on continuing to build a foundation for a sustainable future. This also includes reducing our environmental footprint through expanded recycling efforts, reduction of hazardous materials and use of hybrid-electric vehicles. PortsToronto is also proud to be the only airport and port authority in Canada to use 100% renewable electricity in all of its operations through Bullfrog Power.

Hand in hand with our environmental stewardship comes careful consideration of our local community. PortsToronto is committed to continued investment in initiatives and infrastructure that activate the waterfront and support the long-term sustainability of both the ports and the surrounding neighbourhoods. Our ongoing efforts to reach residents and businesses in the area around Billy Bishop Airport include the Community Liaison Committee (CLC), which provides a regular forum for our neighbours and stakeholders to discuss issues and concerns related to airport operations. Our commitment to addressing concerns of residents and businesses raised in these meetings has resulted in many innovative approaches and process changes, such as a barging operation to transport construction materials and vehicles associated with our airfield rehabilitation that was successful in eliminating truck traffic and associated noise. Collaboration is essential for a strong community and we will continue to work with interested stakeholders and neighbours to create the best possible outcomes.

In 2018, we will undertake an update of our Master Plan for Billy Bishop Airport, which will include a study of current environmental practices and opportunities to implement additional processes and measures to reduce our carbon footprint. The Master Plan will include comprehensive public consultation to ensure that the plan contemplates a range of perspectives and sources in order to address the airport's role in the economy, transportation network and waterfront community.

A positive future for our ports, our neighbourhood, our city and our environment are behind all of our sustainability efforts. By looking at our operations with respect to economic performance, community engagement and environmental protection, and reporting on areas such as noise management, greenhouse gas (GHG) emissions, waste management, power usage and safety, we can ensure that we are investing in the long-term future of our organization and conducting our business with respect for the environment and the community.

We hope you enjoy reading more about PortsToronto and how we are striving to reduce our environmental footprint and strike an effective balance on Toronto's waterfront.

Geoffrey A. WilsonChief Executive Officer
PortsToronto





BILLY BISHOP TORONTO CITY AIRPORT

Welcoming 2.8 million business and leisure travellers in 2017, Billy Bishop Airport is Canada's ninth busiest airport. The airport offers service to more than 20 cities in Canada and the United States, with connection opportunities to more than 80 international destinations via our airlines' networks. As Canada's sixth-busiest airport with passenger service to the United States, Billy Bishop Airport is an important international gateway and a key driver of Toronto's economy. Each year, the airport generates more than \$470 million in Gross Domestic Product (GDP) and supports 4,740 jobs, including 2,080 directly associated with airport operations.

Host of award-winning commercial air carriers Porter Airlines and Air Canada, Billy Bishop Airport is known throughout the travelling community for its word-class customer service and amenities. The airport's proximity to downtown in conjunction with the pedestrian tunnel, enhanced shuttle service, shorter lines and full-service lounges, have made Billy Bishop Airport the travel hub of choice for business and leisure travellers alike.

The airport has been recognized with a series of passengerdriven awards, including being named Best Airport in North America (over two million passenger category), Best Airport in North America (2-5 million passenger category) and tied for second place for Best Airport in the World (2-5 million passenger category) in Airport Council International's Airport Service Quality Awards. Billy Bishop Airport was also named the sixth best international airport by Condé Nast Traveler and was named one of North America's best airports at the Skytrax World Airport Awards, the premier international airport awards voted on by 13.8 million passengers worldwide.

As well as commercial carriers, Billy Bishop Airport also serves as a base for an air ambulance service, two Fixed Base Operators and is home to a personal/general aviation community that includes approximately 50 private planes and one flight school.





PORT OF TORONTO

Primarily a bulk cargo destination, the Port of Toronto is uniquely located minutes from downtown Toronto. The port receives global cargo from destinations as far away as Germany, South Korea, Australia, South America and the rest of North America. The cargo delivered by ship in 2017 took the equivalent of 54,000 40-tonne trucks off Toronto's roads and highways.

In 2017 the Port of Toronto experienced its best year since 2005 as approximately 2.2 million metric tonnes of cargo from around the world was shipped through the Port of Toronto. Sugar, road salt, cement and aggregate were brought directly into the heart of Toronto by 201 ships that visited the Port of Toronto over the course of the past year. Port tonnage for 2017 was up more than 16 per cent. Salt imports increased nearly 50 per cent since 2016, with 745,403 metric tonnes brought in throughout the year.

Cement cargo remained strong at 679,951 tonnes, and stone, aggregate and sand cargo levels increased to a total of 176,105 tonnes in 2017. Sugar imports were up by 9 per cent with 561,467 tonnes of raw sugar delivered through the port in 2017.

In addition to traditional marine cargo, the Port of Toronto is a growing cruise ship destination, with 16 cruise ships bringing more than 5,600 passengers to visit PortsToronto's Cruise Ship Terminal in 2017. The Port is expecting 20 cruise ships in the summer and fall of 2018.

In 2017, the Port of Toronto had its best year in more than a decade.

Total port tonnage was up 16% in 2017.



GOING FOR GOLD

In 2017, the Outer Harbour Marina received the 5 Green Anchor Gold rating for the seventh consecutive year. This designation is part of Boating Ontario's Clean Marine program and recognizes marinas that follow strict environmental best practices to protect and maintain a healthy marine environment.





OUTER HARBOUR MARINA

Just outside the Toronto Harbour and a short walk from Tommy Thompson Park, the Outer Harbour Marina (OHM) is located just 10 minutes from the downtown core. With breathtaking scenery and a world-class marina, the OHM offers a unique escape from city life without having to leave Toronto.

As one of the largest freshwater marinas in Ontario, the OHM has more than 625 extra-wide slips that can accommodate boats up to 100 feet long. As well as being the only docking facility of its kind in Toronto, the OHM also boasts heated indoor boat storage.

The OHM has a reputation for excellence, especially when it comes to environmental stewardship. In 2017, it earned a 5 Green Anchor Gold rating from the Ontario Marine Operators Association for the seventh year in a row—the highest ranking attainable for marinas that follow environmental best practices.



REAL ESTATE AND PROPERTY HOLDINGS

Real estate and property holdings are an important component of PortsToronto's business and include Leslie Street Spit, 5 Queens Quay West, Pier 6 and various additional water and land lots. These properties are leased to other businesses, and some have the potential for redevelopment.

In the spring of 2017, the historic Toronto Harbour Commission building at the corner of 30 Bay and 60 Harbour was sold to Oxford Properties Group (Oxford) and the Canada Pension Plan Investment Board (CPPIB). The building will be restored and maintained as part of any future development of the property.

The proceeds from the sale will be used to support PortsToronto's federal mandate to manage operations on a self-sustaining basis in order to reinvest funds into marine safety, environmental protection, community programming, and transportation infrastructure such as the repair of ageing dock walls and warehouse terminals, building "last mile" road and rail access in the port area and improving navigation in areas of the harbour.

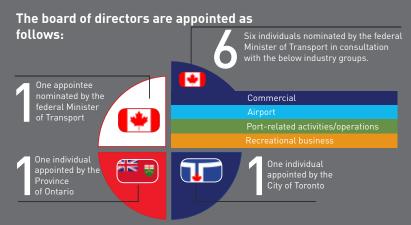
BUSINESS UNITS

REAL ESTATE AND PROPERTY HOLDINGS

The Toronto Harbour Commission building is one of the oldest on Toronto's waterfront.

The restoration of the Toronto Harbour Commission building will ensure that the past is preserved for future generations.





All individuals nominated by the Minister of Transport are appointed by the Governor in Council.

PortsToronto is the successor agency of The Toronto Harbour Commissioners (THC), which managed the Toronto Harbour from 1911 to 1999. As part of a broad strategy developed by the federal government to modernize the administration of ports, the Toronto Port Authority, now PortsToronto, was established in 1999 to operate the port, marina, airport and land holdings.

Established under the Canada Marine Act in 1999, PortsToronto is a government business enterprise that is mandated to be financially self-sufficient and receives no federal, provincial or municipal funding. PortsToronto operates in accordance with the Canada Marine Act and Letters Patent issued by the federal Minister of Transport in addition to a series of specific policies and procedures. The Letters Patent include requirements related to PortsToronto's board of directors and outlines the activities that can be undertaken by the organization.

PortsToronto is accountable to the federal government through Transport Canada, and is guided by a nine-member board of directors composed of individuals appointed by all levels of government — federal, provincial and municipal. Six members of the board are appointed by the Minister of Transport in consultation with committees representing four identified user groups—commercial, recreation, airport and port operations. The City of Toronto and the Province of Ontario have a direct governance relationship with PortsToronto via their appointees to the PortsToronto board of directors. The PortsToronto board met 15 times in 2017.

In 2016, PortsToronto designed a new user group director nomination process that harmonized the nomination framework established in our Letters Patent with the federal government's open, transparent and merit-based process for public appointments. This User Group Director Nomination process was endorsed by Transport Canada and has been suggested as a best practice for other Canadian Port Authorities to emulate for their user group Director Nomination processes.

In 2016, PortsToronto also revised its Corporate Governance Manual, consisting of our Board Mandate and Committee Charters, to reflect best practices from other industry leaders. A copy of our Governance Manual can be referenced on our website.

PORTS TORONTO BOARD OF DIRECTORS

BOARD OF DIRECTORS

- Robert D. Poirier, Chair of the Board
- G. Mark Curry
- Jeremy Adams (retired January 2018)
- Jan Innes
- Sean L. Morley (retired September 2017)
- Amanda Walton
- Darin Edward Deschamps (appointed April 2017)



PORTS TORONTO SENIOR MANAGEMENT

SENIOR MANAGEMENT

- Geoffrey A. Wilson, Chief Executive Officer
- Gene Cabral, Executive Vice President, PortsToronto and Billy Bishop Toronto City Airport
- Alan J. Paul, Senior Vice President and Chief Financial Officer
- Craig Manuel, Vice President and General Counsel
- Deborah Wilson, Vice President of Communications and Public Affairs
- Chris Sawicki, Vice President of Infrastructure, Planning and Environment



DEBORAH WILSON Vice President of Communications and Public Affairs

CRAIG MANUEL Vice President and General Counsel

GENE CABRAL Executive Vice President, PortsToronto and Billy Bishop Toronto City Airport

GEOFFREY A. WILSON Chief Executive Officer

ALAN J. PAUL Senior Vice President and Chief Financial Officer

CHRIS SAWICKI Vice President of Infrastructure, Planning and Environment

PORTS TORONTO SUSTAINABILITY COMMITTEE

The PortsToronto Sustainability Committee met eight times in 2017

At PortsToronto, all employees are responsible for conducting business in an environmentally sustainable manner and are encouraged to look for areas of improvement within their day-to-day activities. In 2016, PortsToronto formed a Sustainability Committee comprising staff from each business unit. The committee meets regularly to share ideas and identify strategies for employing environmental best practices throughout PortsToronto's business units and operations.

From providing all staff with reusable water bottles to implementing new office-wide recycling initiatives while continuing to move toward a paperless workplace, many new and innovative ideas were generated by members of the Sustainability Committee. The committee continued to populate a sustainability calendar to mark special events for PortsToronto employees to engage in—initiatives include the Great Canadian Shoreline Cleanup, the airport's annual Foreign Object Debris Pick-Up and Waste Reduction Week. PortsToronto strives to promote sustainability and incentivize employees by also creating guizzes and contests designed to engage staff and increase knowledge and awareness of environmentally friendly practices that can be implemented both in the office and at home.

PORTS TORONTO SUSTAINABILITY COMMITTEE

PORTS TORONTO SUSTAINABILITY COMMITTEE

- Angela Homewood, Infrastructure, Planning and Environment
- Angie Stewart, Outer Harbour Marina
- Mike Dwyer, Outer Harbour Marina
- Mike Lamont, Works and Environmental Services
- Mike Riehl, Port of Toronto
- Gary Colwell, Billy Bishop Airport
- John Huggett, Health and Safety
- Tanja Stojanovski, Corporate Services
- Jen Brailsford, Communications and Public Affairs



MIKE **DWYER** Outer Harbour Marina

JEN BRAILSFORD Communications and Public Affairs

STOJANOVSKI Corporate Services

MIKE LAMONT Works and Environmental Services

HUGGETT Health and Safety

MIKE **RIEHL**

ANGELA HOMEWOOD Port of Toronto Infrastructure, Planning and Environment

GARY COLWELL Billy Bishop Airport

ANGIE **STEWART** Outer Harbour Marina





24 schools were selected for greener playgrounds through Evergreen Canada's Children's Program.

4 HIVES

PortsToronto worked with Alvéole to install urban hives to support the local bee population.





As the owners and operators of Billy Bishop Airport, the Port of Toronto and the Outer Harbour Marina, PortsToronto appreciates that a sustainability plan inclusive of environmental protection and green business operations is important to our long-term future as a business and the role we play in making connections between Toronto and the world.

In our efforts to keep the harbour clean, build natural habitat and power our operations using renewable hydro sources, we are striving to ensure that we reduce the environmental impact of our operations through processes and choices that make a difference.

The environmental stewardship section of the report is based on an extensive internal review, expert analysis from The Delphi Group and feedback from our stakeholders.

PortsToronto's targeted priority areas related to environmental stewardship are as follows:

- Protecting Toronto's Harbour and Increasing Biodiversity
- Energy Efficiency and Climate Change
- Respecting Environmental Law and Regulation
- Pursuing Environmental and Safety Excellence in Management Systems
- V Sustainable Site Design and Construction
- Waste Management

















Environmental Strategies. Business Solutions.

The environmental priority areas detailed in this report were assessed by The Delphi Group. As a pioneer in sustainability and environmental risk management, The Delphi Group has more than 25 years of experience helping some of Canada's best-known companies improve the sustainability of their organizations — as well as the local and global communities in which they operate. For more information visit www.delphi.ca.





HARBOUR CLEAN-UP PROGRAM AND HOTLINE

As part of our commitment to keeping the harbour clean, PortsToronto manages a 24/7 Harbour Hotline (416-462-3937) and responds immediately to reports of pollution, spills and debris in the harbour. Through the program, we remove approximately 150 million pounds (more than 68,000 tonnes) of dredgeate, debris and driftwood from the harbour each year – the equivalent weight of about 102 cars' worth of material removed every day.

In 2017, PortsToronto crews responded to 27 calls reporting debris and spills to the Harbour Hotline.



Committed to sustainability and protecting the environment, PortsToronto conducts all its operations in a manner consistent with environmental protection, preserving natural habitats and giving back to the communities we serve.

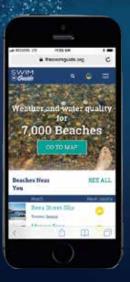
Our commitment to environmental issues has prompted us to become members of the Aquatic Habitat Toronto Team. The Aquatic Habitat Toronto Team is a consensus-based partnership among agencies with a vested interest in the improvement of marine habitat on the Toronto waterfront.

Team partners include Fisheries and Oceans Canada, the Ontario Ministry of Natural Resources and Forestry, Toronto and Region Conservation Authority, and Waterfront Toronto, with key participants from Environment Canada and in consultation with the City of Toronto. Aquatic Habitat Toronto is responsible for the implementation of the Toronto Waterfront Aquatic Habitat Restoration Strategy.

Striving to create a more sustainable waterfront through an ecosystem approach, the strategy seeks to increase ecological integrity, provide suitable conditions for the maintenance of self-sustaining aquatic communities and improve ecological connectivity.

Conservation design in the strategy is based on native naturalized species. Human usage of the shoreline and nearshore waters was taken into account during development of the design, and the strategy for it was based on a consultative, consensus-based approach involving stakeholders and the public.

A key priority of PortsToronto is to help ensure the safety and enjoyment of those who use Toronto's harbour. This priority goes hand in hand with our commitment to ensuring that the unique biodiversity of the waterfront is equally preserved and enhanced.



Vid you know?

PortsToronto proudly sponsors Lake Ontario Waterkeeper's Swim Guide, a website and a smartphone app that delivers real-time, water-quality information to Swim Guide users for over 7,000 beaches, lakes, rivers and swimming holes in Canada and around the world...including Toronto's habour and waterfront.

DREDGING AND WETLAND CREATION

Thousands of tonnes of sediment build up every year where the Don River empties into the Keating Channel. This sediment, if not removed, could cause the river to back up and result in flooding. For this reason, maintenance of the river mouth is imperative to prevent siltation and debris from spilling into the harbour.

In 2017, approximately 25,000 cubic metres of sediment material was removed from the mouth of the Don River through PortsToronto's dredging process. Dredging removes sediment in order to achieve a navigable river depth and allow the smooth flow of water and ice through the Keating Channel.

Dredging involves scooping material from the bottom of the channel using a barge and an excavator. Once removed, the natural sediment is transported by dump scow barges to the Leslie Street Spit for containment in one of the specially designed cells or Confined Disposal Facility (CDF). The cells were specially designed by PortsToronto to properly contain the natural materials dredged from the channel and other parts of the harbour.

Over time, this process provides new habitats for marsh birds, turtles, small mammals and native fish while helping to prevent flooding and the potential for debris to enter the harbour. PortsToronto and the Toronto and Region Conservation Authority (TRCA) completed the Cell 1 Wetland Creation Project in 2007. The CDF was converted into a seven-hectare coastal wetland that has significantly increased fish populations with reports of pike and walleye returning to the harbour.

The Cell 2 wetland was officially completed in September 2016. This cell provides an additional 9.3 hectares of habitat for a variety of fish and wildlife and more green space for the recreational enjoyment of the surrounding communities. Completion of the second phase of the three-phase project would not have been possible without support from PortsToronto's public-private partnerships, including the TRCA, Environment Canada, the Ministry of Natural Resources and Forestry, the City of Toronto and Coca-Cola Canada.

The remaining cell will continue to be used for dredged materials for the next 30-40 years until its capacity is reached.

"This was a long time in the making and we're thrilled. Thanks to strong partnerships we have created marsh habitat that will improve stopover, nesting and overwinter habitat for many species on the Toronto waterfront."

—Ralph Toninger, Senior Manager of Habitat Restoration at Toronto and Region Conservation Authority.

ENVIRONMENTAL STEWARDSHIP



Inspiring Future Generations - A Message from the CEO of Evergreen

I want to thank everyone at PortsToronto for helping turn spaces into great places so our children can thrive. Four years ago, you partnered with Evergreen, a national charity that enables flourishing cities. As a result of your ongoing support, together we have revitalized a total of 24 school grounds and have positively impacted thousands of students, educators, parents, caregivers and the communities that serve them. This is something to be proud of.

Thanks to PortsToronto's commitment and dedicated staff volunteers, six new schools were transformed this year. At Ecole Elementaire Gabrielle-Roy, students planted a variety of trees and shrubs filling their school ground with greenery and continue to help water and care for them. At the Island Natural Science School, 18 raised gardening beds were added providing healthier soil and cold frames to grow food in the fall and winter. Even though the Island experienced heavy flooding this spring and summer, the students at the school managed to harvest over 50kg of food, and we're going to continue working with them in 2018 to further their vision that was delayed by the flooding. At Taylor Creek Public School, students and teachers created a food garden inspired by Indigenous knowledge about plants and gardening methods. Children now get to eat fruits and veggies that they planted and grew themselves. One of the school's teachers remarked that it has caused a remarkable change in her class, saying, "You can see the personal pride that all of the students who participated in the project have in their garden."

These are just a few examples, none of which would have been possible without PortsToronto's commitment and support. We're looking forward to continuing our partnership in 2018, and are excited to transform more schools. Our Design Consultants will continue their signature approach, working with school communities to create a design that matches their specific vision. Each school will have a custom space, created after extensive consultation and group planning.

I am thrilled with the progress we've made, working together to improve our city, connect children to the natural world and inspire future generations. The impact of your investment will be felt for years to come.

Sincerely,

Geoff Cape CEO, Evergreen

Geoll Gu

evergreen.ca

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British Columbia Office: 90-425 Carrall St, Vancouver, BC, V6B 6E3 Tel: 604-689-0766 Fax: 604-669-6222

info@evergreen.ca 1-888-426-3138 (toll free in Canada)

Donations are tax deductible. Charitable Registration Number: BN 131815763 RR0001



EVERGREEN SCHOOL GROUND GREENING PROGRAM

For the last four years, PortsToronto has supported Evergreen Canada's Children's Program. The program helps to turn downtown school grounds into places where children can reconnect and learn about nature while playing in a dynamic outdoor environment.

PortsToronto has worked with six schools per year as part of their partnership with Evergreen Canada. Participating schools are identified and selected by Evergreen through a careful process based on criteria including location, integration with curriculum, existing conditions and innovativeness of approach. Schools are given the opportunity to integrate the development, monitoring and maintenance of the grounds with classroom programming in order to ensure a successful naturalization project.

Schools located in high-traffic neighbourhoods in the downtown core, where there is a limited ability to connect with nature due to a lack of greenspace, make up a large portion of those chosen for the program. Removing asphalt, creating stone seating and planting shade trees, native plants and vegetable gardens are some of the projects that have been supported through PortsToronto's contribution to this program. Newly greened school grounds enable a unique outdoor classroom experience for students and a wide range of additional benefits including an increase in physical activity and positive community engagement.

MAINTAINING BIODIVERSITY BY PROTECTING THE MONARCH BUTTERFLY

The number of monarch butterflies migrating south along the shores of the Great Lakes to Mexico each year reached drastic lows in the last decade due in part to a loss of native plants, such as milkweed. The milkweed serves as the butterflies' primary food source along their route to the south.

As part of our role as environmental stewards, PortsToronto recruited the help of Grade 2 and 4 students at Voice Integrative School to plant a butterfly garden at Outer Harbour Marina in the fall of 2015 and spring of 2016. The garden is stocked with more than 100 milkweed plants, as well as other native plants that appeal to the monarch butterfly. Each year, PortsToronto continues to maintain the garden and invest in new native pollinator plants in order to provide a permanent stopover for migrating birds and butterflies conveniently located on the shores of Lake Ontario.

The 770-square-foot garden was designed by Evergreen Canada and features perching areas for the butterflies and other pollinators, as well as avian habitat space for the wide variety of bird species that use the Leslie Street Spit area as a stopover point on their own annual journeys south.

ENVIRONMENTAL STEWARDSHIP



Advancing Environmental Excellence

The Port of Toronto is committed to go beyond compliance by being a participant of the Green Marine environmental program since 2009.

Green Marine is a voluntary initiative promoting a culture of continuous improvement for ports, terminals, shipyards, Seaway corporations and ship owners across North America. The program offers a detailed framework for maritime companies to first establish and then reduce their environmental footprint.

Each participant completes Green Marine's detailed annual self-evaluation. Reports are independently verified every two years to ensure the program's rigor and credibility. The results determine the participant's ranking for each performance indicator on a 1-to-5 scale. Level 1 constitutes the monitoring of regulations, while Level 5 indicates leadership and excellence. The process is also transparent as each individual results are made public at the end of the month of May every year. Participants, such as the Port of Toronto, have to demonstrate year-over-year improvement in measurable ways to maintain their Green Marine certification.

For example, Port of Toronto increased its results from a level 1 to a level 4 between the reporting years of 2009 and 2016 for the Greenhouse gases (GHG) indicator. For the GHG indicator, it means the port adopted an energy performance plan and a plan for reducing air pollutants, which defines reduction measures and establishes reduction targets.

Green Marine is pleased to count the Port of Toronto among its certified participant!

David Bolduc

Executive Director

David Both

HARBOUR HONEY

Since 2007, as many as 35 per cent of Ontario's bee colonies have died each year. Through our environmental mandate to protect natural habitats, PortsToronto works continuously to grow its nature-building and preservation initiatives. As part of this commitment, and in partnership with Alvéole, four urban bee hives were installed in June 2016 to help support the local bee population.

Cities provide a thriving environment for bees due to strict anti-pesticide laws, floral diversity and the large amount of unused rooftop space. Located on the roof of Warehouse 52 in the Port of Toronto, our hives are in close proximity to pollenrich vegetation and green spaces – not to mention one of the best views of the city.

The second annual honey harvest took place in October 2017 and generated 53.7 kilograms of organic honey, as well as surplus beeswax that was made into all-natural lip balm.

ACHIEVEMENTS:

2017 Targets:

•	Explore opportunities to achieve "Salmon Safe" designation at Billy Bishop Airport.	IN PROGRESS
•	Create Sustainability Pledge for employees and tenants.	IN PROGRESS
•	Continue efforts to increase biodiversity through participation in Evergreen Canada's school ground greening program.	√
•	Continue to co-ordinate with our partners who share responsibility in the clean-up of Toronto's waterfront to ensure continued timely responses	√

Targets for 2018:

- Finalize Sustainability Pledge for employees and tenants.
- Continue efforts to increase biodiversity through participation in Evergreen Canada's school ground greening program.
- Continue to co-ordinate with our partners who share responsibility in the clean-up of Toronto's waterfront to ensure continued timely responses.
- Continue to explore opportunities to achieve "Salmon Safe" designation at Billy Bishop Airport.



"Bees are an essential part of the way we produce our food. In fact, the stability of our entire agricultural system depends on the pollination services they provide. More than just useful livestock, bees are also intelligent, docile creatures that actively contribute to the biodiversity of their environment. PortsToronto's urban beekeeping project is not only improving local access to food by pollinating gardens and producing honey, it is also raising awareness about the issues facing bees today and showing the public that co-existing with bees is a simple and natural part of city life."





ENVIRONMENTAL STEWARDSHIP



The path forward to a greener future

2017 has been a big year for milestones in Canada. Canada's 150th anniversary highlighted how far we've come, but also put many of the challenges we still face into focus. In the fight against climate change, we saw CO2 levels hitting record highs against the backdrop of a growing global consensus on the need for more action.

As an environmental partner of PortsToronto, we are proud to share some incredible 2017 milestones in this report. As the only port authority and airport in Canada to be bullfrogpowered entirely by renewable electricity, PortsToronto has consistently been among the largest green energy purchasers in Canada for the past eight years. The impacts are impressive: More than 107,000 megawatt hours of green electricity have been put onto the grid on PortsToronto's behalf, resulting in emissions reductions of more than 16,000 tonnes of CO2 equivalent.

How were we able to achieve these results? Bullfrog Power's generators put 100 per cent green electricity onto the grid to match the amount of conventional power used by all of PortsToronto's facilities and operations. Across Canada, Bullfrog Power's green electricity comes from a blend of wind and low-impact hydro power sourced from new Canadian renewable energy facilities.

By choosing Bullfrog Power's green electricity, PortsToronto is reducing its environmental impact and supporting the development of new community-based green energy projects. Through our community renewable projects program, Bullfrog Power uses our customers' support to help develop new projects in communities as far away as Arviat, Nunavut and as close to home as the solar panels on Toronto's Kew Beach Junior Public school. Together, our community has helped fund more than 130 of these projects across Canada.

Congratulations to PortsToronto on another year of important sustainability milestones in its work as a guardian and steward of Toronto's waterfront.

Ron Seftel CEO—Bullfrog Power



Minimizing greenhouse gas (GHG) emissions is a global necessity. Emissions generated by operations need to be carefully monitored and reduced where feasible. Under this strategic priority, PortsToronto works to manage emissions and energy use from all of our operations. In 2017, PortsToronto undertook the important step of establishing a carbon reduction target.

PortsToronto's Sustainability Committee, with support from The Delphi Group, undertook a target setting process. The process included a review of energy and GHG reduction opportunities across our operations and assessed different carbon reduction scenarios. This informed a plan for the organization to achieve its target.

Looking forward, PortsToronto will strive to achieve a 35% carbon reduction target below 2015 levels by 2035. This target includes PortsToronto's Scope 1 and Scope 2 emissions sources. Our target is aligned with those set by the City of Toronto, the Province of Ontario and the federal government.

OUR FOOTPRINT

PortsToronto has measured its GHG emissions each year since 2012.1 As part of our 2017 target-setting initiative, we established 2015 as our baseline year. It is from this baseline that our forward-looking targets are calculated.

Our Scope 1 and Scope 2 emissions have been relatively stable since we started to measure our carbon footprint. Emissions from our own operations were at their lowest in 2016, with a slight increase in 2017. These slight variations in emissions can by accounted for by factors such as weather, including high precipitation levels and prolonged cold temperatures in the winter months. In 2017, there was an increase in Scope 3 emissions due to increased diesel fuel and gasoline consumption by our tenants.

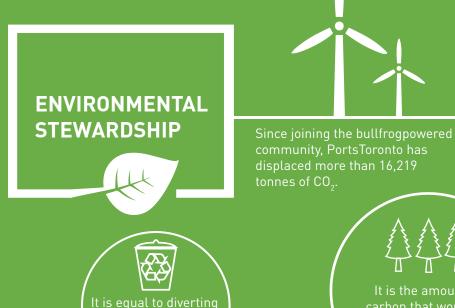
PortsToronto's overall GHG emissions are modest, however, we continue to make efforts to improve our energy management practices and reduce our energy consumption and associated GHG emissions. Our efforts to reduce GHG emissions focus on our buildings and vehicles.

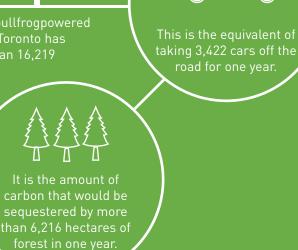
¹Our GHG emissions are calculated using the globally recognized GHG Protocol developed by the World Resources Institute and World Business Council on Sustainable Development.

"By choosing Bullfrog Power's green electricity, PortsToronto is reducing its environmental impact and supporting the development of new community-based green energy projects. Through our community renewable projects program, Bullfrog Power uses our customers' support to help develop new projects in communities as far away as Arviat, Nunavut, and as close to home as the solar panels on Toronto's Kew Beach Junior Public School."

-Ron Seftel CEO, Bullfrog Power







road for one year.

PortsToronto is one of the top 10 purchasers of Bullfrog Power green electricity in the country.

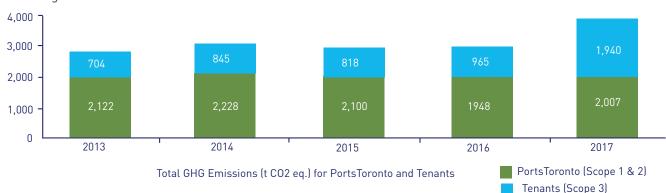
more than 5,141

tonnes of waste from

PortsToronto reduced emissions by approximately 13 per cent using Bullfrog Power's clean energy.

Annual GHG Emissions by Scope for PortsToronto and Tenants

GHG Emissions were up slightly in 2017 due in part to flood-mitigation efforts associated with highwater levels on the island in spring 2017 and tenant fuel usage, including the addition of FlyGTA's regional service which commenced in fall 2017.



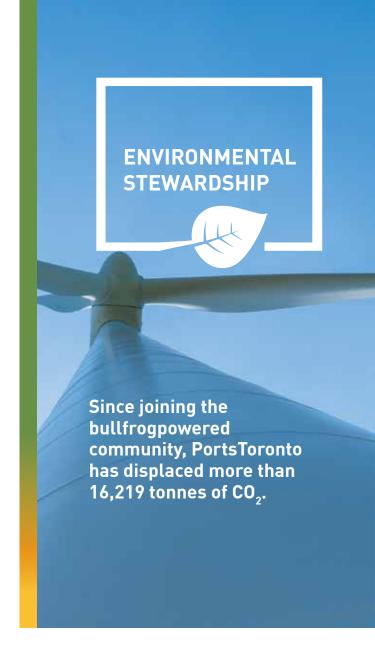
Each year that PortsToronto measures its GHG footprint, we update the emission factors reported and provided by Environment and Climate Change Canada (ECCC). The emission factors provided each year by ECCC, in its National Inventory Report (NIR), have a two-year delay. For example, the current NIR only provides emission factors from 1990-2015; when emission factors become available for 2017, they will be updated to ensure that our GHG footprint is as accurate as possible. Updates in data quality can also impact the historical emission factors disclosed by ECCC, which PortsToronto accounts for in its GHG footprint calculation.

BULLFROG POWER: PORTS TORONTO'S MOST SIGNIFICANT GHG NEUTRALIZATION EFFORT

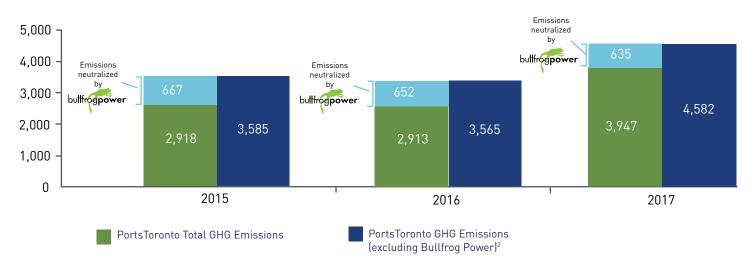
Since 2010, PortsToronto has reduced its environmental footprint by choosing 100 per cent green energy from Bullfrog Power to power all of its operations with clean, renewable electricity. Through our agreement, Bullfrog Power's generators inject renewable electricity back into the grid on our behalf to match the amount of electricity used by PortsToronto's operations.

In 2017, PortsToronto reduced emissions by approximately 13 per cent using Bullfrog Power's clean energy, which comes exclusively from a blend of EcoLogo^M-certified wind and low-impact hydro power. These percentages are even greater when tenant emissions are included (17 per cent in 2017) as PortsToronto also purchases Bullfrog Power on behalf of our tenants.

PortsToronto is one of the top 10 purchasers of Bullfrog Power green electricity in the country. PortsToronto and Billy Bishop Airport are the only port authority and airport in Canada to be powered entirely by renewable electricity across all operations and facilities, including the airport's 853-foot pedestrian tunnel and connecting buildings.



GHG Emissions Neutralized by use of Bullfrog Power (t CO₂e)



² Total PortsToronto GHG emissions (excluding Bullfrog Power) is equivalent to PortsToronto's location based emissions, as per the GHG Protocol Scope 2 Guidance.

Electricity grid emission factors, which are used to calculate GHG emissions, are published annually by Environment Canada. Emission factors are always published in a two-year time lag. For example, emission factors accurate for 2014 are published in 2016. Each year, PortsToronto's historical GHG emissions are updated using the most accurate information available.





KEEPING VEHICLES OFF TORONTO'S HIGHWAYS

One tonne of freight can travel 240 kilometres on a single litre of fuel by ship, whereas it can travel only 30 kilometres by truck on the same amount of fuel. By operating the port and promoting shipping as a more efficient alternative to delivering goods to Toronto through programs like Highway $\rm H_20$, PortsToronto is working to minimize the road traffic and related emissions that result from transporting goods by truck.

Since 1793, the Port of Toronto has served as Toronto's gateway to marine ports around the world. With the expansion of Toronto's urban landscape, construction materials based at the Port of Toronto's storage and staging areas travel shorter distances to get to the worksite, cutting down on construction costs, congestion and unnecessary fuel emissions.

In 2017, approximately 2.2 million metric tonnes of bulk cargo, such as salt, sugar and cement was delivered through the Port of Toronto. The cargo delivered by ship took approximately 54,000 forty-tonne trucks off Toronto's already congested roads and highways.

IMPROVING FLEET EFFICIENCY

Managing carbon mitigation must, as much as possible, target the source of carbon emissions. To this end, PortsToronto has implemented several initiatives aimed at reducing the emissions from the vehicle fleet used to support our business operations, including:

- An anti-idling policy and awareness campaign for vehicles on all PortsToronto properties;
- Vessels with two-stroke outboard motors were phased out and replaced with cleaner and more efficient four-stroke models; and,
- Conducted an analysis of airport ferry operations and reviewed opportunities for implementing biofuel.

ENERGY AUDIT

In 2017, PortsToronto engaged Mooney Solutions —a Toronto-based energy consulting firm—in order to undertake the organization's first Level II energy audit. PortsToronto selected managed facilities from Billy Bishop Airport, the Port of Toronto and Outer Harbour Marina to complete the energy assessment over the course of several months. Mooney Solutions collected data at each facility and provided metering support in order to determine peak demand and identify where energy savings could be made. Energy output was measured in areas including lighting, controls systems and Heating, Ventilation and Air Conditioning (HVAC) systems. Over the next year, PortsToronto will begin to strategically implement solutions and recommendations in order to continue progressing toward our carbon reduction goals.

The resulting report from the energy audit identified both behavioural and equipment replacement measures that could be strategically implemented to reduce organizational greenhouse gas emissions.

SUSTAINABLE PROCUREMENT POLICY

In 2017, PortsToronto began developing a sustainable procurement policy that would apply to new and existing suppliers. PortsToronto recognizes that its impact is not limited to its facilities and operations—the purchasing choices it makes also have impacts as part of its value chain. In an effort to curb these impacts to be more positive, PortsToronto's procurement policy seeks out businesses that share this sustainability commitment. To influence our impacts both upstream (e.g. purchasing) and downstream (e.g. product waste), the policy adopts the following guiding principles to consider when procuring goods and services:

- 1. Limit demand on raw natural resources
- 2. Avoid non-natural substances to limit material produced by society
- 3. Source material that limits degradation of the natural environment
- 4. Ensure health and safety of society to meet human needs

The sustainable procurement policy is being finalized with plans for implementation in 2018.



ACHIEVEMENTS:

2017 Targets:

 Continue to explore more energy-efficient ways to heat Port facilities.



 Continue to increase the efficiency of our vehicle and marine fleets.



 Progress toward goal to replace all operational vehicles with hybrid models by 2020, where commercially available.



 Explore the possibility of buying/selling carbon credits to offset our carbon footprint in collaboration with stakeholders, clients and partners.



 Maintain HVAC (Heating, Ventilation and Air Conditioning) equipment for leak prevention.



 Explore options to conduct organization-wide energy audit.



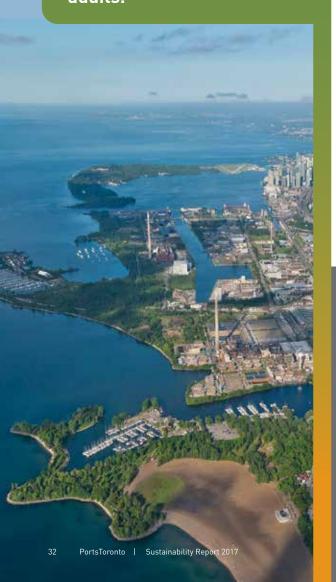
Targets for 2018:

- Implement recommendations based on results of energy audit completed in 2017
- Implement sustainable procurement policy across the organization
- Implement a GHG reduction policy that reflects our new carbon reduction goals.
- Progress toward goal to replace all operational vehicles with hybrid models by 2020, where commercially available.





PortsToronto is subject to Environment Canada's environmental regulations and laws, and undertakes regular detailed environmental compliance audits.



PortsToronto strives to manage all of our operations in a sustainable manner with minimal environmental impact and, like all ports and airports, is subject to Environment Canada's environmental regulations and laws. PortsToronto conducts internal reviews of environmental compliance, as well as associated record-keeping and data-management practices.

Additionally, members of each business unit meet on a regular basis as part of the organization's Sustainability Committee, and discuss areas where efforts can be made to increase environmental efforts. There were no incidents of significant environmental non-compliance and no fines levied against PortsToronto by Environment Canada in 2017.

Furthermore, there have been no incidents of significant environmental non-compliance and no fines levied against PortsToronto by Environment Canada over the past seven years. This is a result of PortsToronto's efforts to follow best practices from around the world to achieve our sustainability goals and prevent pollution at the Outer Harbour Marina, Billy Bishop Airport and our owned operations at the Port of Toronto.

PortsToronto also undertakes regular detailed environmental compliance audits.

ACHIEVEMENTS:

2017 Targets:

METRIC	2017 RESULTS
Fines for instances of environmental regulatory non-compliance (value).	\$0
Significant spills (volume and material).	0

Targets for 2018:

 Continue to engage and train staff in standard operating procedures to ensure continued compliance with environmental regulations

IV PURSUING ENVIRONMENTAL EXCELLENCE IN MANAGEMENT SYSTEMS



ENVIRONMENTAL MANAGEMENT

As a steward of the waterfront for over 100 years, PortsToronto has a legacy of environmental responsibility. This is achieved, in part, by maintaining and utilizing management practices and standard operating procedures (SOPs) for each function PortsToronto undertakes.

The products necessary for the safe operation and maintenance of PortsToronto's equipment and facilities are managed and contained in a rigorous manner to ensure safety and the protection of the environment. Strict protocols are in place for daily operations, such as aircraft fuelling, to reduce the risk of spills. In the unlikely event of a spill, PortsToronto's Works and Environmental Services Department and the airport's maintenance and fire departments are thoroughly trained in mitigation and clean-up methods to prevent contaminants from entering the natural environment.

Billy Bishop Airport also carefully manages the use, collection and disposal of de-icing and anti-icing chemicals as governed by a Sanitary Discharge Agreement with the City of Toronto, dated December 20, 2013. Application of de-icing and anti-icing chemicals to aircraft is performed only in approved areas of the airport, designed so that overland drainage flows into designated catch basins and underground sewers. Snow clearing from the designated aircraft de-icing area, which may contain de-icing fluid, is directed to an adjacent airfield location that is drained and directed to the sanitary sewer utilizing metered pumps in accordance with the Sanitary Discharge Agreement. This process is further monitored and audited by the City of Toronto. The glycol recovery system is reviewed on a regular basis in order to ensure that all fluids continue to be properly managed and contained, preventing environmental contamination.

Regulations require PortsToronto to follow the Standard System for the Identification of the Hazards of Materials for Emergency Response, which sets out the process used by emergency personnel to quickly and easily identify the risks posed by hazardous materials. This helps determine what, if any, special equipment should be used, procedures followed or precautions taken during the initial stages of an emergency response. It also helps to ensure hazardous materials are disposed of in accordance with environmental law and regulations.

PortsToronto manages aircraft de-icing and anti-icing fluids with a dedicated glycol containment system that traps surface runoff and thoroughly contains glycol from de-icing and anti-icing operations.







WILDLIFE MANAGEMENT

PortsToronto and Billy Bishop Airport employ highly qualified Wildlife Management Officers to manage wildlife activity. For additional support at Billy Bishop Airport, we work with Falcon Environmental Services—a recognized leader in the field of wildlife management in North America.

To ensure the safety of our passengers—and in accordance with Transport Canada requirements and Canadian Aviation Regulations—Billy Bishop Airport, like all major airports across North America, runs a comprehensive Wildlife Management Program. Falcon Environmental Services reviews this program and specific plans and provides additional expertise as and when required.

It is important to note that the Wildlife Management Program at Billy Bishop Airport does not involve culling bird populations, interfering with eggs or any other measures in this vein. Our approach is to use techniques—such as pyrotechnics, specially trained dogs and birds of prey—that discourage birds from making the airport their home.



V **X**SUSTAINABLE SITE DESIGN AND CONSTRUCTION

Best practices related to sustainability and environmental protection are followed by PortsToronto and its contractors during all planning, development and operational phases of any construction activity. The following initiatives have been implemented by PortsToronto to raise the bar on sustainable construction.



AIRFIELD REHABILITATION PROJECT

Year two of a significant three-year rehabilitation program to replace aging pavement and lighting on the airport's runways, taxiways and apron areas was completed on schedule in July 2017. The rehabilitation project, which includes resurfacing the runways to increase friction levels that allow aircraft to slow down more rapidly, will aid in reducing carbon emissions.

With construction activities often occurring during nighttime hours when the airport is closed to air traffic, a number of measures were implemented to minimize the impact of construction activities on local residents. In order to reduce construction-related traffic through the Bathurst Quay Neighbourhood, the majority of equipment and material to the site was transported by barge from wharves located at PortsToronto's Marine Terminal property in the Port Lands to a temporary dock on the east side of the airport. Specifically, the floating barge can carry 900 tonnes of aggregate material from the Port Lands to the airport in one trip, eliminating the need for 64 dump trucks (32 each way) on the roads in the neighbourhood. This accounted for 4,125 fewer truck movements via the airport neighbourhood's roadways during phase II of the airfield rehabilitation project.





The following initiatives have been implemented throughout the project to date and will continue to be applied throughout the phases of the Billy Bishop Airfield Rehabilitation Program, which will be completed in 2018.

- The overall project plan incorporates multiple individual project elements that would otherwise be completed over a longer construction duration and by multiple contractors, thus reducing the overall impacts of construction on the local community;
- The construction schedule has been compressed to improve efficiency and reduce construction noise and emissions;
- Existing airfield lighting fixtures are being converted to LED, resulting in energy savings;
- Reduction in the overall quantity of earthworks required through specific pavement design strategies;
- Reusing materials in the construction of new facilities such as airside perimeter roads;
- Reusing asphalt millings to offset total volume of new granular material required;
- Barging of material and equipment, resulting in removing a significant number of trucks from the city roads;
- Construction of a Ground Run-up Enclosure (GRE) facility intended to reduce noise during aircraft engine maintenance run-ups;
- Public outreach and meetings (Community Liaison Committee meetings, community tours, Annual General Meeting, Neighbourhood Association meetings, etc.); and,
- Job creation and economic benefits to GTA—a large majority of the construction team is composed of locally (GTA) based companies.

IMPLEMENTING SUSTAINABLE PRACTICES WITH OUR PARTNERS TERMINAL UPGRADES

In October 2016, Nieuport Aviation Infrastructure Partners—owner and operator of the airport's passenger terminal—began a plan to upgrade Billy Bishop Airport's passenger lounges to improve the experience for our travellers.

With the airport's growth since the original terminal was built in 2010, the upgrade will enlarge the passenger lounges, provide additional amenities, introduce an 11th gate and further enhance its world-class, award-winning passenger experience. The upgrade will also provide opportunities to incorporate environmentally responsible and sustainable infrastructure into the terminal's design. The project is expected to be completed in 2018.



THE IRON GUPPY

The Iron Guppy is a single-screw tugboat that started working for PortsToronto in July 2016. It replaced the tugboat William Rest, which had been in operation since 1961. The new tugboat, built in Wheatley, Ontario, has mechanical systems specially selected to increase overall efficiency.

The Iron Guppy primarily works in the Port and Harbour of Toronto to provide marine services, including navigation marker maintenance, environmental spill response, dredging and icebreaking. The tugboat can break ice up to six inches thick. When necessary, the tugboat can also provide emergency assistance to the Toronto Police Service and Toronto Fire Services marine units.

WAREHOUSE 52 AND THE EQUIPMENT MAINTENANCE CENTRE

A roof retrofit, including the installation of four inches of insulation, was completed on Warehouse 52 and the Equipment Maintenance Centre at the Port of Toronto. The retrofit was completed in 2017, with insulation increasing the resistance-value or "R-value" of the roof by 22.5, improving overall facility energy efficiency by aiding in the climate control for the warehouse and office space of the building. The 15 1000w metal halide rooftop light fixtures were replaced with a 300w equivalent LED lighting, saving approximately 46,000 kWh annually in energy use.

ACHIEVEMENTS:

2017 Targets:

 Explore opportunities to work with waterfront stakeholders on the Don River Mouth Naturalization and Port Lands Flood Prevention Project



 Continue to keep sustainability as a key factor in our decision-making as we move forward with future developments



Targets for 2018:

- Implement an organizational policy that incorporates our environmental mandate and sustainability best practices for future developments or building plans
- Continue to explore opportunities to work with waterfront stakeholders on the Don River Mouth Naturalization and Port Lands Flood Prevention Project





More than 99% of personal waste bins were collected during Waste Reduction Week and replaced with recycle bins.

WASTE TYPE	ESTIMATED WEIGHT (Tonnes per year)
Total Garbage	300-600
Total Recycling -Organics -Mixed recycling	40 - 80 1 - 3 40 - 80
Total Waste	350-700
Estimated Diversion Rate	12%



PortsToronto's Sustainability Committee recruited staff to help clean up a local park on Earth Day—one of several successful environmental initiatives undertaken by the committee in 2017.



Responsible and efficient management of waste by minimizing its production and maximizing its reuse is important to PortsToronto's sustainability efforts.

While the waste management contract is handled centrally at PortsToronto's head office, each business unit maintains its own receptacle and strives to:

- Ensure proper disposal of all hazardous waste;
- Capture all valuable waste streams (such as scrap metal and tires); and,
- Promote general recycling.

Some of the specific ways in which PortsToronto manages waste include:

- Introduced roll-off bins at the Outer Harbour Marina and Works Department that will enable contractor GFL to produce waste diversion reports that will provide a more accurate snapshot of waste production;
- Personal waste bins were removed from offices and replaced with communal trash stations at PortsToronto's head office, encouraging employees to think twice about waste diversion and to promote recycling and composting;
- The collection and recycling of all used electronics (computer monitors, printers, smartphones, etc.), batteries, toners and cartridges;
- The placement of blue bins at all worksites and work stations to encourage recycling;
- The digitization of our communications, making all reports/ publications available online to reduce the need for print copies;
- Replacing all pod-based coffee makers with machines that use loose beans to eliminate coffee pod waste; and,
- Providing all employees with a reusable water bottle and banning single-use plastic water bottles from all offices.

PortsToronto also contracts Safety-Kleen, the largest re-refiner of used oil and provider of parts-cleaning services in North America, to collect, recycle, reuse and/or properly dispose of the antifreeze, oil, oil filters, vehicle batteries and other equipment used to service the Port of Toronto, harbour operations and Billy Bishop Airport.



Following a review of waste management practices in 2016, PortsToronto is finalizing plans to create more comprehensive waste diversion reports in 2018. Accurate data for waste metrics are not currently available across all operations, with estimates providing a reasonable representation of the amount of waste generated at PortsToronto. The incorporation of roll-off bins will improve waste data collection as part of our waste management efforts.

CASE STUDY

As part of Waste Reduction Week 2017, the PortsToronto Sustainability Committee removed personal waste bins from offices and cubicles in the head office, and created communal waste stations with bins for recycling, compost and landfill. In an informal assessment by the Sustainability Committee, it was found that some staff members were placing organic waste, paper and other recyclables into their garbage bins. By removing individual garbage cans, employees were encouraged to sort their waste and think twice about areas where they could reduce waste production.

In conjunction with this initiative, the Sustainability Committee implemented an awareness campaign on what items could be recycled and composted. As Waste Reduction Week came to a close, the majority of staff chose to continue using the communal waste stations and a section on waste reduction was incorporated into the monthly internal staff newsletter.

ENCOURAGING REUSABLE WATER BOTTLES AT BILLY BISHOP AIRPORT

In 2017, PortsToronto continued to work with Nieuport Aviation Infrastructure Partners to encourage passengers to travel with reusable water containers,

reducing the need for plastic water bottles in the Billy Bishop Airport lounge. When going through security, passengers are required to empty their water bottles as liquids over 100mL are not permitted by the Canadian Air Transport Security Authority (CATSA). The installation of water stations on the other side of security enables passengers to refill their water bottles or use the lounge's reusable drinking glasses, eliminating the need to use plastic water bottles.

CONTINUED IMPROVEMENT

PortsToronto is committed to the continual improvement of responsible waste management. We recognize that while our waste management practices are effective in some areas, there is room for improvement in others. As we move forward with more accurate waste diversion data, we will continue to work to enhance general recycling and composting across PortsToronto's business units in 2018.

ACHIEVEMENTS:

2017 Targets:

 Human Resources paperless payroll system implementation

IN PROGRESS

Targets for 2018:

- Install roll-off bins for all operations in order to create comprehensive waste diversion reports
- Finalize the Human Resources paperless payroll system implementation

COMMUNITY ENGAGEMENT



PortsToronto is a proud sponsor of The Bentway, which provides recreational space in an otherwise unused area beneath Toronto's Gardiner Expressway.

PortsToronto continued to sponsor the Waterfront Neighbourhood Centre's Community Connect Garden, which engaged more than 400 people and produced 125 kg of organic fruits and vegetables for marginalized families on the waterfront.





As part of Toronto's thriving mixed-use waterfront, PortsToronto makes it a priority to work with the local community to ensure balance. As the owner and operator of an active port, marina and the ninth-busiest airport in Canada, PortsToronto is committed to investing in the waterfront.

In 2017, PortsToronto partnered with the Waterfront BIA to bring five public art installations to the waterfront for Ice Breakers.

PortsToronto's targeted priority areas related to community engagement are as follows:

Noise Management



Traffic Management



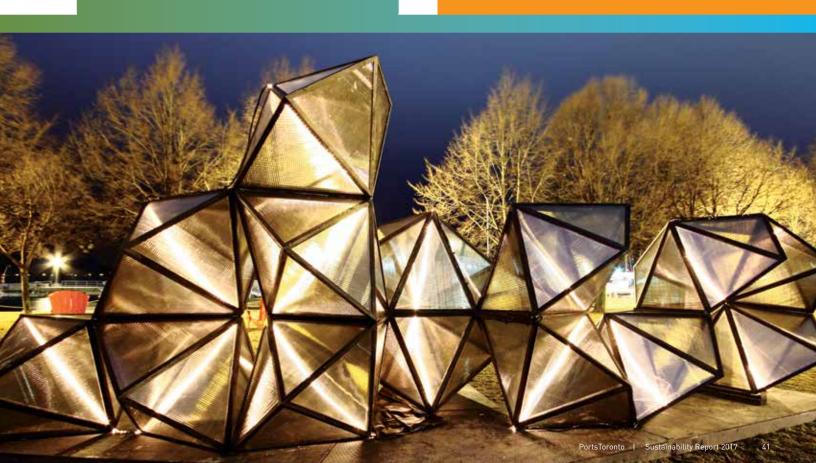
Health and Safety



Community Investment



V Stakeholder and Community Engagement



COMMUNITY ENGAGEMENT



Billy Bishop Airport won the Airports Council International (ACI-NA) Environmental Achievement Award for its Noise Mitigation Program.



। पाजीप NOISE MANAGEMENT

Operating an airport on the thriving mixed-use urban waterfront requires vigilance to ensure that operations stay in balance with the neighbourhood, that an effective equilibrium is struck between commercial and community interests, and that measures are in place to mitigate the airport's impacts, such as noise.

In 2017, Billy Bishop Airport won the Airports Council International (ACI-NA) Environmental Achievement Award for its Noise Mitigation Program. The ACI-NA Environmental Achievement Awards recognize airports that strive to protect and preserve the environment through their programs, initiatives and projects. The winning airports must demonstrate the environmental benefit of their project and its innovative approach, effective implementation, applicability and cost-effectiveness.

The Environmental Achievement Award recognizes years of hard work and dedication to our community relations and environmental strategy, from working together with the community to identify solutions that assist with our noise reduction efforts to successfully implementing new noise mitigation infrastructure, such as upgrading the airport's Noise Monitoring Terminals (NMTs) and constructing a Ground Runup Enclosure (GRE) to dampen the acoustic impact from engine run-ups.

Vid you know?

Porter Airlines and Air Canada Jazz have implemented a procedure that requires planes taxiing to the gates to operate on one engine to reduce both carbon impacts and noise.



Reporting back to the Community

ANNUAL NOISE MANAGEMENT REPORT

In February 2018, PortsToronto released its Annual Noise Management Report, which is a compilation of all noise data and complaints submitted to the airport's Noise Management Office over the course of 2017. The 2017 Noise Report is available on the PortsToronto website.

In 2017 overall noise complaints increased from 236 complaints to 271 complaints. This increase can be attributed in part to the increased number of flights over Algonquin Island as a result of new regional routes at the airport. Additionally, we saw an increase in complaints associated with mainland and ferry operations and construction, which were related to the Terminal Upgrade being undertaken by Nieuport Aviation, the owner of the passenger terminal. However, we also experienced a 78 per cent decrease year over year in complaints related to scheduled engine-run ups which is attributable to the new Ground Run-Up Enclosure (GRE) that went into operation in April 2017. In fact, since the GRE opened, noise complaints related to engine run-ups decreased by 97 per cent over the same time period in 2016.

We continued to work in concert with the public and the airport's air carriers to develop enhanced programs, procedures and infrastructure aimed at mitigating the airport's noise impact on the surrounding community. With more than 90 per cent of airport passengers choosing to use Billy Bishop Airport's pedestrian tunnel, surges in passenger activity that led to increased traffic and vehicle congestion at the airport's mainland terminal and along Eireann Quay have also been reduced significantly.

The enhanced free airport shuttle service that drops off/ picks up passengers outside the mainland pavilion and provides travellers with convenient, reliable transport to the airport has reduced car traffic and related noise. In addition, redesigned taxi and parking areas and additional bike racks on both the island and the mainland side of the airport have been installed to encourage non-vehicular access to the airport to further mitigate the airport's noise impact.

NOISE MANAGEMENT OFFICE

Billy Bishop Airport's Noise Management Office, which was significantly enhanced in 2010 with the implementation of a state-of-the-art Aircraft Flight Tracking and Noise Monitoring System, has dedicated staff in place to collect, analyze and respond to noise complaints and monitor daily operations. More than 99 per cent of complaints were responded to within a five-day period in 2017. In addition to reporting on an annual basis, the Noise Management Office also produces a monthly noise report that is posted to the PortsToronto website.

VORTEX

Billy Bishop Airport's Noise Management Office uses Vortex—a customizable tracking and logging software platform designed specifically for the needs of an airport environment—to track, document and respond to noise complaints. Last year, more than 99 per cent of the complaints received by the Noise Office were handled within the five-day window that the airport adheres to as part of our commitment to the community.

WEBTRAK

PortsToronto continues to offer free community access to WebTrak—an Internet-based software service that enables anyone with a computer, smartphone or tablet to gather information on an aircraft they hear flying overhead.



— The Honourable Marc Garneau, Minister of Transport.



GROUND RUN-UP ENCLOSURE

Engine run-ups are required and regulated by Transport Canada as part of standard aircraft maintenance. However, these engine run-ups can be a disturbance to the community as testing is often done at high power. In order to mitigate the effects of engine testing on the community, a Ground Run-up Enclosure (GRE) was opened at Billy Bishop Airport in April 2017. The three-sided, open-top facility accommodates commercial aircraft at the airport and is designed to dampen the noise associated with high-power aircraft engine ground run-up operations. Standing 14m in height, the 63m by 66m enclosure is located on the south-west side of the airfield and is only the second of its kind in Canada.

Engine run-ups have been cited by the community as a primary source of noise. The GRE was constructed at a cost of \$9 million—paid for by PortsToronto and not taxpayers—and will significantly reduce the acoustic impact of engine run-ups on the surrounding community. In 2016, Billy Bishop Airport received more than 36 complaints related to engine run-ups. Since the facility opened in April 2017, noise complaints related to engine run-ups have decreased by 97 per cent since the same time period in 2016.

The enclosure effectively absorbs noise with specialized acoustic panels that line the interior of the three walls, which feature vents for optimal aerodynamic performance. The construction of a GRE to dampen aircraft engine run-up noise is part of PortsToronto's key infrastructure and capital improvements at Billy Bishop Airport.



NOISE MONITOR TERMINALS

Noise Monitoring Terminals (NMTs) are the foundation of the airport's noise monitoring system and provide ongoing noiselevel data to the airport's Noise Management Office. This data are then used in long-term noise mitigation planning and in responding to noise complaints from the surrounding community.

Two NMTs—located on the Toronto Police Marine Unit building and the airport's island-side fire hall—were recently upgraded, with a third NMT installed on the mainland ferry terminal building in 2016. This latest NMT enables enhanced tracking of noise generated by aircraft run-ups and the airport's ferry operation—two key areas of focus under Billy Bishop Airport's overall noise management program.

The noise data transmitted by the NMTs is also viewable through the WebTrak website.

ACHIEVEMENTS:

2017 Targets:

- The construction of infrastructure aimed at reducing the noise impact of the airport on the local community, including the construction of a Ground Run-up Enclosure by 2017
- Continued discussion of noise issues within Community Liaison Committee and neighbourhood association



meetings



Targets for 2018:

Continued discussion of noise issues within Community Liaison Committee meetings

COMMUNITY ENGAGEMENT

"The proximity and convenience that makes Billy Bishop Airport such an asset also comes with a responsibility to be a good neighbour. I congratulate Billy Bishop Airport on its noise management program and applaud PortsToronto for making this significant financial investment—at no cost to the taxpayer—in order to reduce noise and minimize disruption in what has become a thriving neighbourhood."

Deputy Mayor Denzil Minnan-Wong City of Toronto







Billy Bishop Airport's proximity to such popular attractions as the Air Canada Centre and Rogers Centre, coupled with rapid neighbourhood development and more airport traffic, have resulted in an increase in the number of cars in the area.

Recognizing the lack of significant infrastructure, roads and transit improvement, and the arising issues of congestion and poor traffic flow, the City of Toronto began work in 2015 on a Bathurst Quay Neighbourhood Plan. The Plan, which studies improvements that can be made for the mixed-use community, has now moved into the implementation stage.

In an effort to contribute to these efforts, Billy Bishop Airport continues to encourage travellers to bike, walk, shuttle or take transit to the airport. On average, 40 per cent of travellers observed during a 2015 study walked, biked or took shuttle/TTC from the airport, representing the highest percentage of any airport in North America.³

The pedestrian tunnel another an example of initiatives geared toward addressing the flow of traffic in the area. Prior to the tunnel's opening in 2015, passengers would arrive and depart in large groups according to the ferry schedule, which caused vehicle congestion at the mainland terminal and along Eireann Quay. Now with more than 90 per cent of passengers using the tunnel, passengers come and go on their own schedule, which smooths out the flow and eliminates surges corresponding to the ferry arriving and departing to/from the mainland. In fact, a study by Dillon Consulting⁴ estimated that vehicle traffic in the area has gone down by as much as 75 per cent.

^{3.4} The study conducted by Dillon Consulting was undertaken during airport peak hours and focused on conditions related to traffic volumes, modal splits and taxi occupancy levels for travel to and from the airport. The data gathered will continue to provide background information to measure future conditions related to traffic volumes. An updated study is planned for 2018.



The study also indicated that, on average, 10-16 per cent of all traffic in the surrounding area can be attributed to Billy Bishop Airport. Specifically:

- On Lake Shore Boulevard, only 2-4 percent of traffic can be attributed to the airport;
- On Bathurst Street north of Queens Quay, 50-60 per cent of the traffic is airport related;
- In the area to the west, including Stadium Road,
 5-8 per cent of traffic can be attributed to the airport;
 and
- On other routes such as Dan Leckie Way and Queens Quay to the east, airport traffic constitutes approximately 15-35 per cent of total traffic.

BIKE RACKS

As part of continued efforts to reduce vehicle traffic associated with the airport, PortsToronto has incorporated bike racks that are conveniently located on both the island and mainland. The four covered racks on the island enable cyclists to leave their bikes for the duration of their trip, knowing they are secure and safe from the elements. In 2017, PortsToronto also worked with the City of Toronto to install new bike racks near the mainland ferry terminal. Primarily used by employees at the airport, these bike racks encourage staff to choose more sustainable forms of transportation for their commute.

The popularity of biking to the airport has made the Bike Share station located at the Bathurst Street and Eireann Quay intersection one of 10 busiest in the city's network. During peak cycling season in 2017, approximately 91 rides per day were generated from this location, with an even split between rides starting at the station and ending at the station. Ridership continued in the winter months with 25 rides generated per day from this location. Plans are currently being considered to expand the docking station due to its popularity.

SHUTTLE BUSES

Commitment to reducing single-use vehicle traffic in the area is furthered through regular shuttle service between the airport and downtown Toronto. Available on weekdays, weekends and holidays, with enhanced non-stop shuttle service during peak hours, the trip to and from Billy Bishop Airport takes approximately 15 minutes depending on traffic.

Due to the popularity of the shuttles, four new 32-foot shuttle buses were added in April 2016 equipped with free on-board Wi-Fi and GPS tracking so riders can track the shuttle. The pedestrian tunnel has also allowed a more even distribution of shuttle ridership, virtually eliminating overcrowded or empty departing shuttle-runs.

ACHIEVEMENTS:

2017 Targets:

- Increasing the number of bike racks available at the airport
- Encouraging passengers to use the airport shuttle, public transit or other forms of environmentally friendly transportation to reduce noise and pollution from private vehicles



Targets for 2018:

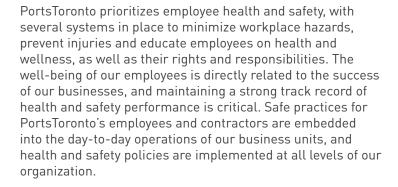
 Install bike maintenance stations with tire pumps and basic tools for quick bicycle repairs for passengers and staff





John Huggett is the Health and Safety Manager at PortsToronto, and works to ensure that the latest health and safety best practices are implemented throughout the organization.

PortsToronto | Sustainability Report 2017



PortsToronto holds monthly Joint Occupational Health and Safety Committee meetings, with representatives from each business unit in attendance. These meetings provide a consistent and constructive forum for communicating with employees across our organization on priority health and safety issues and programs. Each day, all of our crews conduct a tailgate safety talk before heading out on the job to ensure the day's tasks will be completed in a safe, effective and efficient manner. Furthermore, a quarterly internal Occupational Health and Safety newsletter is shared with all employees at PortsToronto, providing tips and advice on staying safe in the workplace.

HEALTH AND SAFETY MANAGEMENT SYSTEM

PortsToronto has developed a comprehensive series of corporate health and safety policies, along with Safe Operating Procedures (SOPs) that provide a thorough guide to compliance with all required regulations and that are made available to every employee through unit management. All policies and procedures are reviewed on a regular basis to ensure ongoing improvement.



MINIMIZING HAZARDS IN THE WORKPLACE

Like many workplaces in Canada, PortsToronto business units are required to conform to Workplace Hazardous Material Information System (WHMIS) requirements to ensure the safe use of chemicals. All employees who have interaction with chemicals as part of their work have been trained in this discipline, as regulated by the Canada Labour Code.

Material Safety Data (MSD) sheets, which PortsToronto maintains for every chemical used in the workplace, are an integral component of WHMIS. These sheets expire every three years. To help ensure that all employees have access to the most up-to-date information, PortsToronto digitized the MSD sheets into an online service that automatically updates expired sheets and provides new chemical information as it becomes available.

TRACKING HEALTH AND SAFETY PERFORMANCE

A Hazard Prevention Program is a key component in maintaining a safe workplace for our employees. As such, PortsToronto continually tracks all known or foreseeable hazards, associated risks and Corrective Action Plans (CAPs). Also tracked are employee concerns and near-miss incidents, as well as the number and nature of workplace injuries and total lost days.

METRIC	2017 RESULTS
Fines for instances of health and safety non-compliance (value)	\$0
Injuries resulting in lost time	6
Total Lost Days	43

ACHIEVEMENTS:

Targets for 2017:

 Standardize and centralize data collection and management across business units



 Refresh all of our Occupational Health and Safety Policies to ensure alignment with industry best practices



Targets for 2018:

- Hold a WHMIS (GHS) refresher course for employees
- Continue to meet federal requirements by providing employees with Violence in the Workplace training
- Introduce a Wellness Program, which includes Mental Health Awareness training



CONTINUING EDUCATION AND AWARENESS

With prevention as a key component of reducing workplace injuries and creating healthy work environments, PortsToronto has implemented several health and wellness programs as part of the overall company strategy to foster a healthy workplace. These initiatives range from identifying dangers and eliminating risks to ongoing training and education initiatives.

Health and safety education is part of every employee's orientation and job description. All staff have access to PortsToronto's health and safety policies and procedures, which cover a wide variety of topics from workplace harassment to electrical safety. For more specialized roles, PortsToronto employs an in-house trainer to educate employees in specific disciplines such as safe fork-lift operation certification and how to operate in confined spaces. At Billy Bishop Airport, all employees are trained in accordance with Transport Canada regulations. Employees are required to attend courses on Safety Management Systems (SMS) and Human and Organizational Factors, which provide instruction on proactive safety management. Billy Bishop Airport management also hold monthly SMS Committee meetings to discuss issues related to safety and develop corrective/preventive action plans to remedy any issues.

Over and above this training, employees who work airside servicing Billy Bishop Airport's runways and airfield are provided with specialized equipment and vehicle operation training, which they are required to update each year. Each member of the airport's ferry crew also holds Transport Canada licences for the functions they perform. These licences are renewed on a regular basis to ensure the crew's training and knowledge remains efficient and current.

In addition, the airport's fire department does regular internal and external emergency services training throughout the year, including a full-scale safety simulation every two years with a full-scale security exercise in intervening years. Table-top safety and security exercises are also held on an annual basis. These exercises test the airport's protocols, procedures, communications and planning for emergency and security-related incidents, and ensure that the airport is ready to respond to any situation. They are critical to ensuring that the airport maintains a high level of emergency response preparedness and involve multiple agencies including Toronto Fire, Toronto Police Service (and related Marine Units), Toronto Paramedic Services, NAV CANADA, as well as staff and officials from the various agencies, airport stakeholders and airlines that operate out of Billy Bishop Airport.

IV THE COMMUNITY INVESTMENT

As part of our dedication to being a sustainable organization, we are committed to our local community. With a long tradition of working with community members and organizations to foster strong and sustainable communities along Toronto's waterfront, PortsToronto provides donations, sponsorships and in-kind contributions to local initiatives and events each year. These initiatives and events share a common goal of promoting healthier, greener and empowered communities.

In 2017, PortsToronto funded 23 community initiatives and organizations, including:

- Evergreen Brick Works School Greening Program
- Redpath Waterfront Festival
- The Bentway Conservancy—Bentway Park
- Aloha Toronto (benefiting children with autism)
- Set Sail for Hope (benefiting Camp Trillium children living with cancer)
- Beaches International Jazz Festival
- Ireland Park Foundation
- Global Forum
- CivicAction
- Heritage Toronto
- Moorelands (benefiting youth living in under-served neighbourhoods)
- Lake Ontario Waterkeeper
- Pollution Probe
- Disabled Sailing Association (benefiting people living with a disability)
- Toronto Brigantine (helping to build character in youth through sail training)
- Billy Bishop House Museum
- Emily's House and Philip Aziz Centre for Hospice Care (supporting adults and children living with life-limiting illnesses)
- Waterfront Neighbourhood Centre—Community Connect Garden
- Waterfront Neighbourhood Centre—Room 13
- Make-A-Wish Foundation
- Hope Air (Medical travel assistance)
- Sugar Shack
- Windward Co-operative Homes



"To create a legacy of giving based on our commitment to fostering strong, healthy and sustainable communities along Toronto's waterfront. Our giving is focused on the waterfront, education and youth in ways that support strong communities and a healthier environment."

PortsToronto's Community
 Investment Mission





11,500 people attended and 43 boats moored off shore to watch movies.





SAIL-IN CINEMA™

The idea for PortsToronto's Sail-In Cinema was conceived eight years ago as a means to encourage the community to come and enjoy the waterfront and to mark the organization's centennial celebration.

In 2017, more than 11,500 people attended as PortsToronto continues to give back to the local community through this free annual event, connecting with residents and spreading awareness about our role in the waterfront community.

In an effort to reduce waste at the event, PortsToronto enlisted Toronto company WaterTAP to provide free drinking water for guests to fill up their reusable water bottles. Over the course of three nights, WaterTAP served 1,097 litres of water—eliminating the equivalent of more than 2,100 water bottles from local landfills.



Over the course of three nights, WaterTAP served 1,097 litres of water, eliminating the equivalent of more than 2,100 water bottles from local landfills.



COMMUNITY ENGAGEMENT



DOORS OPEN 2017

In May 2017, Billy Bishop Airport opened its doors to more than 7,000 people as part of Toronto's annual Doors Open event. Visitors explored the airport's rich history of providing travellers with a convenient international gateway to the world.

Doors Open included activities for the entire family as part of a self-guided tour behind the scenes at the airport. Activities included the opportunity for kids of all ages to explore the airport's state-of-the-art safety vehicles; a staging area from which to view the airport's runway operations and aircraft up close; the Ornge hangar, which featured life-saving helicopters, EMS vehicles and life-saving demonstrations; and the opportunity to meet the dog and falcons who play a role in the airport's wildlife management program.







STAKEHOLDER AND **COMMUNITY ENGAGEMENT**

50.5% growth since 2016



(combined @BBishopAirport and @PortsToronto)

17.4% growth since 2016



(combined @BBishopAirport and @PortsToronto)



CONNECTING ONLINE

With an estimated 67% of Ontario residents using social media, PortsToronto continues to engage with the public via a variety of social media platforms. Social media is used to promote various community and PortsToronto-related events, as well as to respond to questions from airport passengers and the local community.

Updates are also provided on the PortsToronto website regarding news and information that is relevant to our stakeholders and the community. In 2016, a redeveloped PortsToronto website was launched with improved functionality and ease of use for site visitors. The website was optimized to be used on all platforms, including mobile devices. In 2017, work started on a website for Billy Bishop Airport to allow travellers to access airport-specific information more quickly and efficiently.

PortsToronto prides itself on our connectivity with the community. Our website also includes a feedback portal that enables passengers, residents and stakeholders to quickly and easily contact us with their feedback, concerns and questions. This system also provides an opportunity to track common concerns and trending topics that help us best address the needs of our local community.

PortsToronto prioritizes fostering and maintaining positive relationships and strong connections with our neighbours and stakeholders. This critical part of our commitment to sustainability is maintained through open dialogue, transparency and public participation.









@PortsToronto @BBishopAirport @OHMToronto

PUBLIC OUTREACH AND MEETINGS

PortsToronto established a Community Liaison Committee (CLC) in 2010 to further expand engagement with the residents and businesses surrounding Billy Bishop Airport. The CLC gives our neighbours a forum to discuss issues and concerns related to airport development, activities and operations. The committee also enables airport management to communicate operational activities and information with stakeholders and the broader community.

Key representatives from neighbourhood community groups, local businesses and stakeholders, as well as local city councillors, make up the membership of the CLC. The committee follows best practices of community engagement, meeting five times in 2017 to address matters such as airport noise management and transportation access, as well as for a tour of the airport. The CLC's quarterly meetings are open to the public and minutes taken by third-party consultant

Lura Consulting are posted to the PortsToronto website.

PUBLIC CONSULTATION FOR MASTERPLAN 2018

Billy Bishop Airport began to update its Master Plan in January 2018 in order to provide a long-range vision for the airport, which in turn assists airport management and other stakeholders in making informed decisions regarding future development. Master Plans are customary for most airports and are usually updated every five years. The 2018 Master Plan for Billy Bishop Airport will be an update of the 2012 Master Plan, which is available on the PortsToronto website. The primary purpose of an Airport Master Plan is to establish an orderly development concept for the airport that establishes priorities and options for the airport's operation and development over an extended period of time, while at the same time allowing the airport to avail itself of new opportunities to serve the needs of the community and operators. An Airport Master Plan is not a regulatory document but rather a planning tool intended to deliver a long-term strategy for the airport that provides a framework for future planning and development. The typical planning horizon for an Airport Master Plan is 20 years.

The planning process for the Billy Bishop Airport Master Plan kicked off in January 2018 and will include a robust public consultation process that includes airport stakeholders, operators, government agencies, neighbourhood community groups, First Nations and the general public. Engagement with each of these groups will continue at key milestones throughout the planning process. PortsToronto will provide regular project updates throughout the planning process on social media and on a dedicated project website that can be accessed at www.BillyBishopAirportMasterPlan2018.com. With work underway throughout 2018, the Master Plan will be released in early 2019.

WORKING WITH GOVERNMENT PARTNERS

PortsToronto is a key federal government agency responsible for ensuring Toronto's waterfront is managed in an environmentally sustainable manner. As such, our management and staff members are engaged with all levels of government to ensure collaboration and coordination of current operational works and future projects along the waterfront. PortsToronto has regular meetings with the City of Toronto, Transport Canada, Waterfront Toronto and the Mississaugas of the New Credit First Nation, and is a member of several Landowner and Stakeholder Advisory Committees for projects including the Bathurst Quay Neighbourhood Plan, Waterfront Transit Reset and the Port Lands Planning Framework.

PortsToronto staff also provide technical support to several agencies and committees on projects including the Cherry Street Lakefilling, Port Lands Community Risk-Based Assessment and the Gibraltar Point Erosion Control project. We are also a key agency supporting the work of Aquatic Habitat Toronto (AHT), which represents a consensus-based partnership between agencies with a vested interest in the improvement of aquatic habitat on the Toronto Waterfront. AHT partners include the Toronto and Region Conservation (co-chair), the federal agencies of Environment Canada (co-chair) and the Department of Fisheries and Oceans, the provincial Ministry of Natural Resources and Forestry, the City of Toronto, Waterfront Toronto and PortsToronto.

Additionally, Billy Bishop Airport is an active member of the Southern Ontario Airports Network, which represents 13 airports that are working together to plan for the region's future aviation needs.



ECONOMIC PERFORMANCE



Billy Bishop Airport contributes \$280 million in wages.

Billy Bishop Airport generates more than \$470 million in gross domestic product (GDP).



ECONOMIC PERFORMANCE



For PortsToronto, sustainability not only encompasses environmental and social accountability but also financial self-sufficiency. This ensures that our business remains viable, enabling us to invest back into the communities in which we operate by building infrastructure, conducting public works services, and delivering value locally and nationally.

PortsToronto is a financially self-sufficient government business enterprise that receives no public funding from any level of government. This means that no taxpayer dollars are used to finance the organization's activities or operations. Revenue is instead generated through PortsToronto's four core business operations—Billy Bishop Airport, the Port of Toronto, the Outer Harbour Marina and property ownership and leasing. Profits from these businesses are then reinvested to continue improving the infrastructure and services that make Toronto a world-class city and a great place to live, work and play.

PortsToronto's targeted priority areas related to our economic sustainability include:





City Building and Investing in Public Infrastructure



Supporting Local Job Creation



Contributing to Toronto's Economic Growth





ECONOMIC PERFORMANCE



PortsToronto does not receive funding from any level of government and is financially self-sustaining.



I **S** <u>FINANCIAL SELF-SUFFICIENCY</u>

As mandated in the Canada Marine Act,
PortsToronto—like all Canadian port authorities
—must remain financially self-sustaining and does
not receive public funding from any level
of government.

PortsToronto has a strong financial record, reporting our ninth year of profitability in 2016 (2017 financial data to be released May 2018). These profits are reinvested into the communities in which we serve. Since 2009, PortsToronto has invested more than \$10 million in community investments and more than \$6 million was dedicated to environmental initiatives, including the completion of phase two of a fish and wildlife habitat at the Leslie Street Spit.

It is these opportunities for reinvestment that are behind PortsToronto's efforts to work toward continued strong financial performance. All four of PortsToronto's core business operations—Billy Bishop Airport, the Port of Toronto, the Outer Harbour Marina and property holdings—were profitable in 2016, generating \$59.7 million in overall revenue, an increase of 4.5 per cent from the \$57.1 million reported in 2015. Net income was up in 2016 to \$6.7 million from \$5.9 million in 2015. Although 2017 audited financial statements were not available at the time of this report's printing, it is expected that these results will remain strong.

Billy Bishop Airport generated revenue of \$47.4 million, which included \$20.8 million in revenue from Airport Improvement Fees. The Port of Toronto experienced another strong year in 2016, and reported operating income from all sources of \$1.2 million. The Outer Harbour Marina's 2016 operating income remained at \$1.2 million on revenues of \$3.9 million, while property holdings reported operating income of \$0.9 million on revenues of \$1.9 million.

II CITY BUILDING AND INVESTING IN PUBLIC INFRASTRUCTURE

When it comes to infrastructure development, municipalities are responsible for more than 60 per cent of public infrastructure assets. With 80 per cent of the Canadian population residing in urban centres, the need for infrastructure investment in cities such as Toronto is crucial. Quality, relevant and innovative infrastructure is essential to cities and pays dividends in terms of attracting capital and talent that drive future growth.

INVESTING IN THE WATERFRONT

Since its inception in 1911, PortsToronto has made strategic investments in Toronto's waterfront and in developing transportation infrastructure for the city. As the owner and operator of one of Canada's largest major inland ports and Billy Bishop Airport along the waterfront, PortsToronto reinvested \$13.5 million in waterfront and transportation infrastructure in 2017 with investments ranging from the replacement of equipment to the maintenance and restoration of our various facilities.

PortsToronto also shares responsibility with the City of Toronto and the Harbourfront Centre in upgrading and maintaining our respective sections of the port's dock walls and harbour infrastructure.

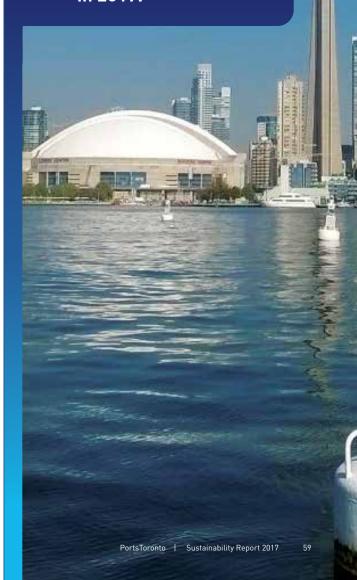
FINANCIAL CONTRIBUTIONS TO TORONTO AND CANADA

Beyond PortsToronto's community and infrastructure investments, PortsToronto contributed \$3.2 million in Payments In-Lieu of Taxes (PILTs) to the City of Toronto in 2016. PortsToronto also paid \$3.5 million toward realty taxes and more than \$3.3 million to the federal government for the gross revenue charge. When combined with PILTs, this resulted in a total contribution of \$10 million that can be used to benefit taxpayers in Toronto and across the country.

ECONOMIC PERFORMANCE



PortsToronto reinvested approximately \$13.5 million in waterfront and transportation infrastructure in 2017.





"Billy Bishop Airport plays an important role in Toronto as a key economic driver, an important piece of transportation infrastructure and a provider of jobs."

— Mayor John Tory,City of Toronto

THE BILLY BISHOP AIRPORT AIRFIELD REHABILITATION AND GROUND RUN-UP ENCLOSURE

In 2017, PortsToronto invested heavily in new infrastructure, the most significant investment being that of the Billy Bishop Airfield Rehabilitation Project, which included the full reconstruction of Runway 06-24 and Runway 08-26 and the replacement of old runway lighting to energy-efficient LED, as well as the decommissioning of Runway 15-33 and its conversion to a taxiway.

The project also involved the completion of a Ground Run-up Enclosure facility in April 2017 to significantly reduce the acoustic impact of mandated engine run-ups on the surrounding community. These improvements will modernize the airport and ensure it continues to serve as an economic engine for the city and provide efficient service to the millions of passengers who travel through the airport each year.

III SUPPORTING LOCAL JOB CREATION

As key international transportation hubs, Billy Bishop Airport and the Port of Toronto serve as economic engines that contribute to their local market profitability and support job creation in the communities they serve. Efficiently moving both cargo and people, these transportation networks create links between communities and regions that foster economic

BILLY BISHOP TORONTO CITY AIRPORT

growth across multiple industries.

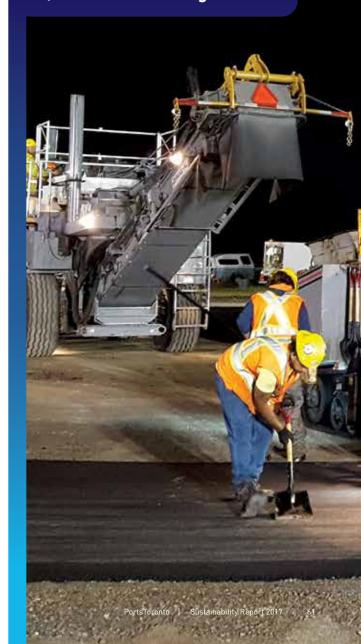
Billy Bishop Airport is an important international gateway and a key driver of Toronto's economy. Each year, Billy Bishop Airport welcomes millions of business and leisure travellers to the city, providing a significant impact on local job creation, both directly and indirectly. In 2017, InterVISTAS reported on the economic output and impact of the airport on the local economy. According to the study, the airport generated more than 4,740 total jobs—including 2,080 jobs directly associated with the airport—and accounts for \$280 million annually in wages.

In 2017, Billy Bishop Airport entered its second year of its Airfield Rehabilitation Program—a significant three-year construction project to replace the aging civil and electrical infrastructure (pavement and lighting) for the airport's runways, taxiways and apron. In addition, PortsToronto approved plans submitted by Nieuport Aviation Infrastructure Partners, owner and operator of the airport's passenger terminal, to undertake upgrades and enhancements to the terminal at the airport. Both of these significant construction projects will continue to foster job creation in Toronto for the next several years.

ECONOMIC PERFORMANCE



2017 Employment Impacts for Billy Bishop Airport include 4,740 jobs and \$280 million in wages.











Canadian ports serve as valuable economic engines with every one million tonnes of new cargo moved creating 300 new jobs. The Port of Toronto is among Canada's largest major inland ports and provides a direct link to various major transportation services, including marine, rail and major highways.

In 2017, approximately 2.2 million tonnes from around the world were delivered directly into the heart of the city through the Port of Toronto, confirming the port's position as a vital component of Toronto's economic performance. The port also supports indirect job creation by providing businesses with a convenient, cost-effective and environmentally responsible way to bring goods into Canada's largest city.

⁵ "Seize the Moment and Maximize our Supply Chain Advantage: Canada's Port Authorities as Drivers of Jobs, Growth and Trade." Association of Canadian Port Authorities, Aug. 6, 2014

IV MI CONTRIBUTING TO TORONTO'S ECONOMIC GROWTH

The unique downtown locations of Billy Bishop Toronto City Airport and the Port of Toronto make them key urban transportation hubs for Canadian and international businesses to gain convenient, cost-effective and environmentally sustainable access to the heart of Canada's business capital.

BILLY BISHOP AIRPORT FUELS TOURISM AND TRADE

Since its opening in 1939, Billy Bishop Airport has become an important international gateway and significant economic engine for the GTA.

According to the InterVISTAS study updated in 2017, Billy Bishop Airport generated more than \$470 million in Gross Domestic Product (GDP), with the airport having become a critical facilitator of the growth of trade and tourism between Toronto and other North American centres.

Through direct and indirect economic benefits, the airport continues to support Toronto's key sectors including financial services, life sciences, the food and beverage sector, travel and tourism, and the film and television industry. The airport also boosts the local economy, with visitors coming through Billy Bishop Airport spending approximately \$150 million a year on accommodation, transportation, retail and food and beverage.



"Billy Bishop Airport is an important gateway for Toronto and a key piece of travel infrastructure that is needed to support Toronto's growth and place as a world-class city."

—Michael Thompson Toronto City Councillor and Chair of Toronto's Economic Development and Culture Committee

ECONOMIC PERFORMANCE



More than 5,600 passengers visited Toronto via cruise ship in 2017 and made use of PortsToronto's Cruise Ship Terminal.





THE PORT OF TORONTO: THE CITY'S MARINE GATEWAY TO THE WORLD

Since 1793, the Port of Toronto has served as Toronto's gateway to marine ports around the world. Now serving primarily as a bulk cargo facility, the port's unique location minutes from Toronto's downtown allows goods from countries as far away as Germany, South Korea, Brazil, China and the United States to easily flow in and out of the city.

In 2017, approximately 2.2 million tonnes of cargo from around the world were delivered directly into the heart of the city through the Port of Toronto, confirming the port's position as a vital component of Toronto's economic performance. The port's staging facilities and warehouses, located minutes away from downtown Toronto, mean fewer vehicles on the road. In 2017, cargo being transported through the port via ships diverted 54,000 40-tonne trucks from Toronto's congested roads. Additionally, ships laying up in the Port of Toronto over the winter are provided with shore power to allow them to turn off their diesel generators to further reduce emissions.

Beyond the traditional marine cargo, the port also generated revenue for Toronto's travel and tourism sectors as 16 cruise ships carrying more than 5,600 passengers visited PortsToronto's Cruise Ship Terminal in 2017.



GOING **FORWARD** GRI is considered a best practice in public disclosure. More than 7,000 organizations from 60 countries use the GRI

quidance approach as a baseline to produce their sustainability reports.

In 2017, PortsToronto set a 2035 emission reduction goal of 35 per cent below 2015 levels.

GLOBAL REPORTING INITIATIVE (GRI)

As PortsToronto moves toward more comprehensive sustainability strategy reporting, we are aiming for alignment with the Global Reporting Initiative (GRI). The GRI has pioneered and developed a comprehensive sustainability reporting framework that is widely used around the world. It includes guidance on economic, environmental, social and governance performance.

CARBON TARGETS AND CLIMATE ACTION PLAN

Last year, PortsToronto identified the opportunity to connect its sustainability goals to policy initiatives prioritized by all three levels of government as a means to continue to achieve meaningful results.

The federal and provincial governments and the City of Toronto have climate change emission reduction goals in place until 2050. These targets will help guide PortsToronto in reducing our organization's carbon footprint and ultimately leading us towards GRI compliance.

For example, the federal government released a Pan Canadian Framework for Climate Change Action in December 2016 and the provincial government released a Climate Change Action Plan for Ontario. These documents will further identify the policy framework and direction for achieving a low-carbon future and meeting the governments' established GHG reduction goals.

In 2017, PortsToronto undertook a target setting process with support from The Delphi Group. After reviewing energy and GHG reduction opportunities across our operations and assessing different carbon reduction scenarios, PortsToronto set forth the target of a 35 per cent carbon reduction below 2015 levels by 2035. This target is aligned with those set by the municipal, provincial and federal governments.

GOVERNMENT EMISSIONS REDUCTION TARGETS

JURISDICTION	2020 EMISSION GOAL	2030 EMISSION GOAL	2050 EMISSION GOAL
Federal Pan-Canadian Framework on Clean Growth and Climate Change	17 percent below 2005 levels	30 percent below 2005 levels	80 percent below 2005 levels
Provincial	15 percent below	37 percent below	80 percent below
Ontario's Climate Change Action Plan	1990 levels	1990 levels	1990 levels
Municipal	30 percent below	Not Identified	80 percent below
TransformTO	1990 levels		1990 levels

REPORTING ANNUAL TARGETS

In 2016, PortsToronto developed a report card to track progress toward the goals set forth in our sustainability reporting. By tracking the status of our sustainability progress through a report card framework, we can ensure the public, stakeholders and government agencies can easily track our performance.

PEOPLE AND COMMUNITY ENGAGEMENT REPORT CARD

FOCUS	2017 TARGET	PROGRESS	DETAILS
Noise Management	Construction of noise reducing infrastructure.	Achieved	Ground Run-up Enclosure completed.
	Encourage passengers to use transit to get to airport.	Ongoing	Dillon Consulting Report shows that 40 per cent of passengers walk, bike or use transit to access the airport.
	Address noise in Community Liaison Committee meetings.	Ongoing	Conducted regular meetings where noise was addressed as a major topic.
Traffic Management	Reduce vehicle traffic associated with the airport.	Ongoing	Airport traffic accounted for a total of 10-16 per cent in the surrounding area. Down 75% from 2015.
Stakeholder and Community Engagement	Redesign website to improve accessibility.	Achieved	Work began in 2017 to optimize a new Billy Bishop Airport website to allow travellers to access airport-specific information quickly.
Community Investment	Fund projects, communities or organizations.	Achieved	Provided support for 23 community organizations and projects.
Employee Health & Safety	Continue to foster a safety- first culture and increase employee health and safety training.	Ongoing	Refreshed all Occupational Health and Safety policies and communicated out across all business units.

