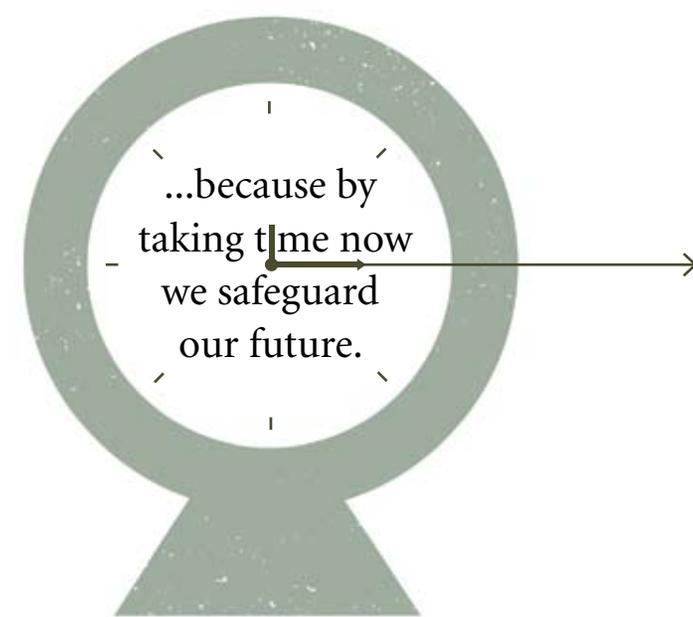
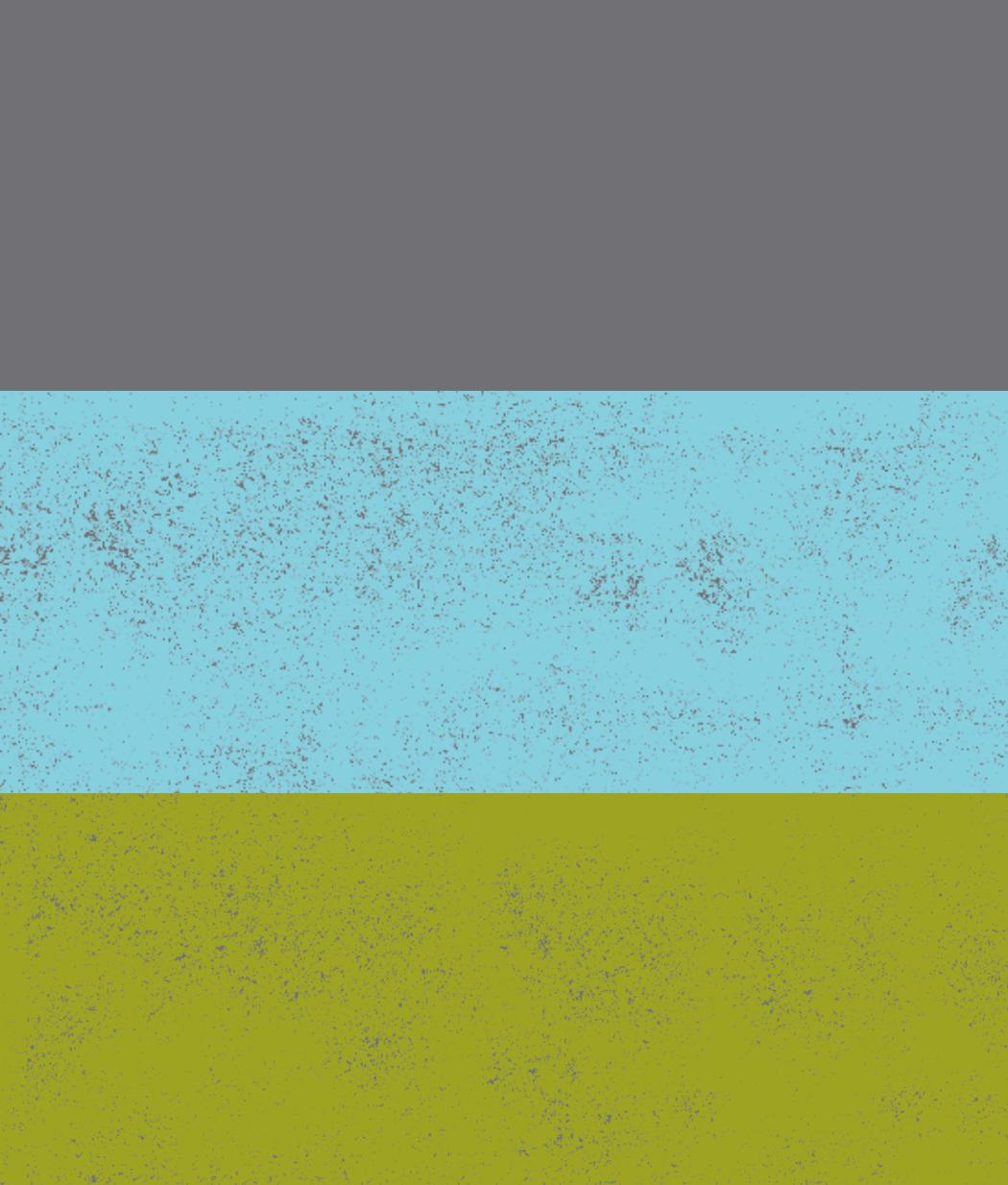


It's about time...



CORPORATE SOCIAL RESPONSIBILITY AT
THE GREATER TORONTO AIRPORTS AUTHORITY 2008

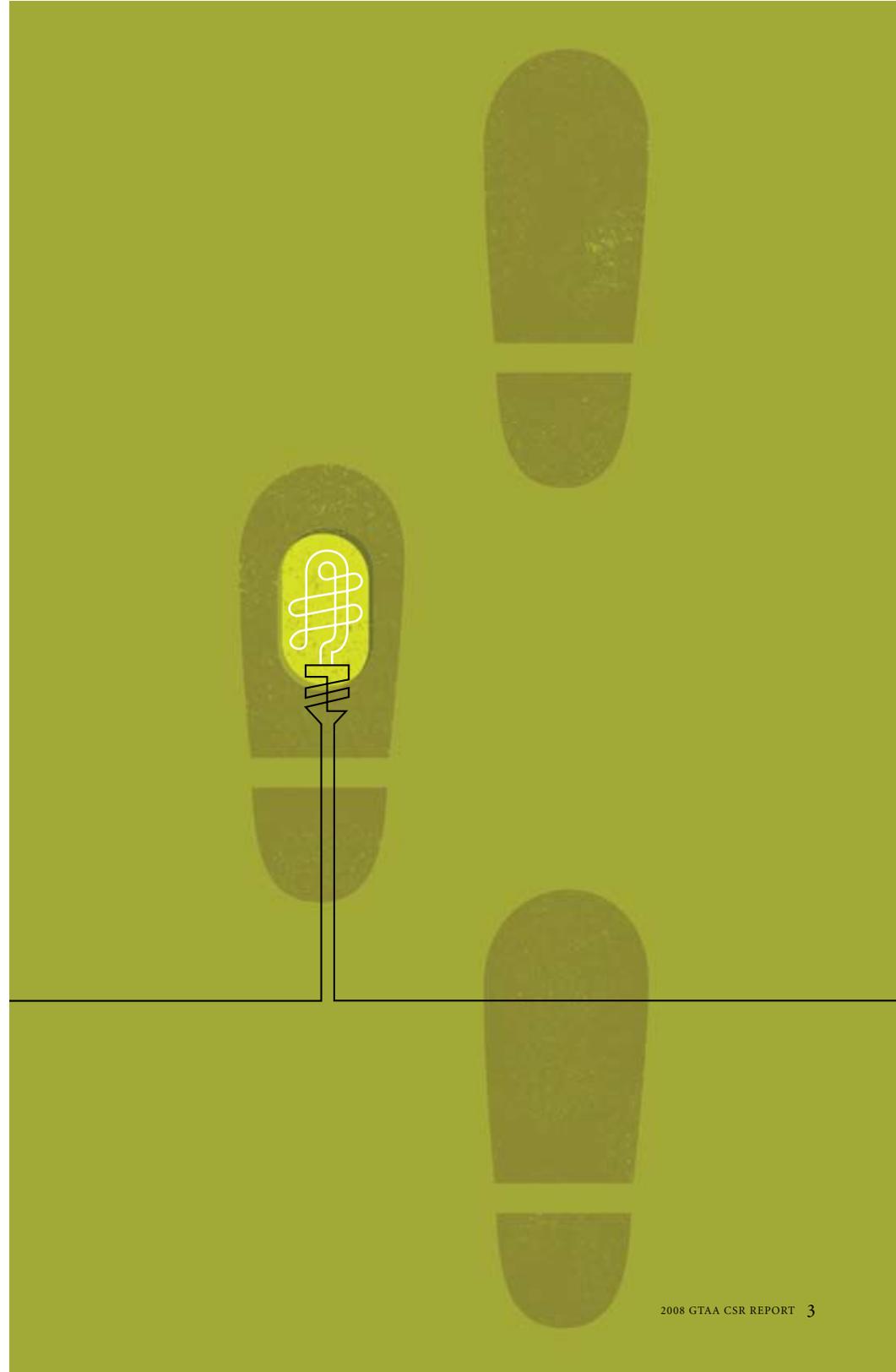




Corporate social responsibility at the GTAA means considering the environmental, economic and social impact of every action we take. We must be sensitive to the unique priorities of our employees, customers, partners and stakeholders, and of the countless people who depend on us to meet their needs, respect their interests and uphold their values. In the following pages, we look at how the time we're spending today to get things right will benefit the various communities we serve while securing our own future as a sustainable enterprise.

One green light bulb saves
a few cents. A thousand bulbs
yield big energy savings.
That frees up money for other
services. Helps reduce airline fees.
Creates jobs in and around
the airport. And improves the
social and economic life
of the community.
And every cut in our carbon footprint
is good for the entire planet.

Responsibility demands vision and rigour. Before you implement a change in one area, you have to gauge its impact on all the other areas it might affect, today and down the road. At the GTAA, we understand that our various strategies are interconnected – that an environmental policy, for instance, has economic implications as well as social consequences. In managing our enterprise, we try to recognize those complexities while applying the ultimate test of success: Whatever is good for our business must also be good for the community. And vice versa.



Corporate Mandate

The GTAA's mandate is to operate Toronto Pearson International Airport as a commercial enterprise, continuously improving its facilities and services and setting fees for their use. Our corporate priority is to ensure a safe, secure and efficient airport while delivering the services, amenities and overall capacity required to meet the public's needs responsibly and effectively.

Our vision for Toronto Pearson is to create a globally competitive facility that provides a welcoming gateway to our region. We will continue to develop and manage the airport as we foster a more comprehensive understanding of the communities we serve.

Sustainable Approach

We understand that Toronto Pearson's impact extends far beyond the role we play in helping travellers reach their destinations or in moving cargo from A to B. We will achieve our sustainability goals only by consistently viewing the business requirements of our mandate in their broader social and environmental context.

As we work to provide our region with reliable access to the world, we have a responsibility to consider how our activities may affect the physical environment, the social landscape and the material prosperity of people and enterprises – whatever global economic challenges we face together. We know that the GTAA's future success depends on the success of our communities. And that fundamental understanding defines how we do business.



Lloyd A. McCoomb,
President and Chief Executive Officer

Marilynne E. Day-Linton
Chair

Now is the time

Last year the GTAA's long-standing responsiveness to community needs was summed up in our first report on corporate social responsibility. This year's report examines in even greater depth the social, environmental and economic impacts of our activities. It reinforces our dedication to responsible corporate citizenship and highlights progress to date as we put our principles into practice.

One of the three pillars of the strategic plan endorsed by the GTAA's Board of Directors in 2007 is our commitment to achieving long-term sustainability. What will ensure the success of that undertaking, and indeed of the entire plan, is our pledge to act responsibly in managing all areas of our enterprise.

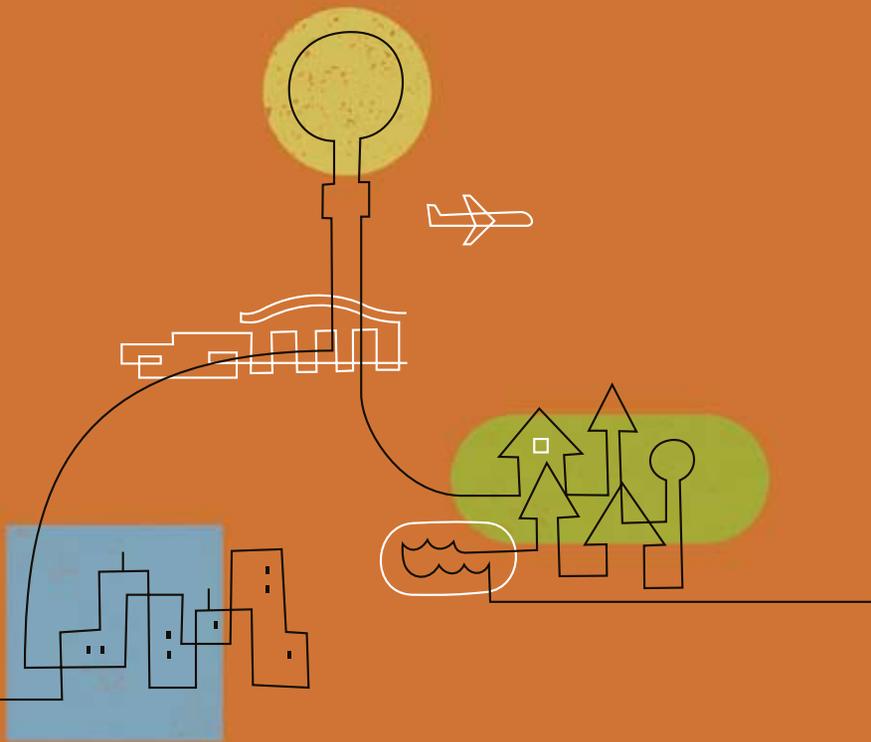
The other two pillars of our strategy are clear. First, to ensure Toronto Pearson remains globally competitive, we are pursuing all opportunities to increase revenues and contain costs. Second, to expand the airport's role as an international gateway, we are exploring new ways to meet the air transport needs of customers around the globe. And any innovative measures we consider in support of those two pillars must be qualified by the third: our obligation to weigh the social, environmental and economic implications of our business decisions. This responsibility is not a constraint imposed upon us; it's a core value that defines the GTAA and guides every aspect of our day-to-day operations.

In managing one of Canada's most valuable public assets, we will respect the views of all stakeholders, particularly those from surrounding communities. As we build on Toronto Pearson's long record of exemplary green practices, we are working to mitigate emissions and other potential sources of environmental concern. At the same time, we recognize that our impact on those who live near the airport is not always viewed in a positive light. We're therefore committed more than ever to ensuring clear, meaningful communications as we consult with the public on potential issues, join in the discussion over regional development and generally strive to serve our communities.

Only by collaborating proactively and transparently with our various stakeholders will the GTAA achieve its ambitious strategic goals. Our belief in corporate social responsibility makes good business sense. What's more, it's a natural expression of who we are as individuals and as an organization. Now more than ever, it's time to put our shared convictions to work in shaping a profitably sustainable future.

Responsibility

IN THREE ACTS



Recognizing our social, environmental and economic responsibilities is not a new phenomenon at Toronto Pearson. Our growth plans have always taken into account nearby residential communities. We're acutely aware of our sensitive location on the Etobicoke-Mimico watershed. And we gauge the potential impact of every new strategy on the region's economy. What's changed is our sense of focus – and the global standards by which we now measure our progress.

Corporate social responsibility, or CSR, is becoming more ingrained in global business culture. As organizations set their sights on achieving long-term sustainability, there has been a need for clearly defined standards – even in organizations where the ethical behaviours that such standards measure have been entrenched for decades. CSR performance is now being assessed in relation to three types of impacts: social, environmental and economic. This report follows that convention.

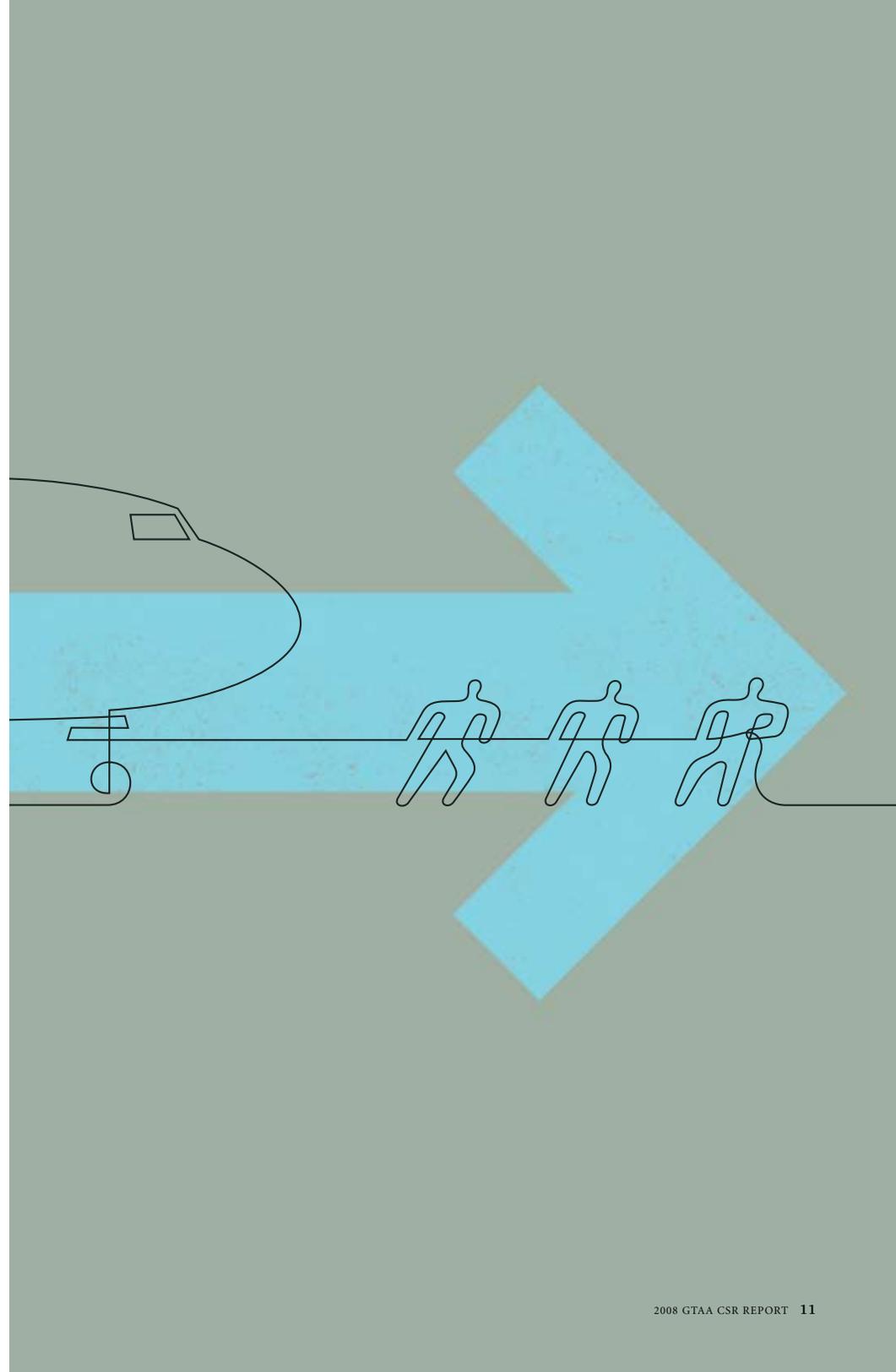
The GTAA's pursuit of responsible sustainability is unfolding in phases. In year one we identified needs and explored potential improvements. Through 2008 and into 2009, we've shaped our collective insights into a concrete plan of action and completed the groundwork for a formal CSR charter. We've focused in particular on articulating our response to climate change, boosting employee engagement and forging strategic partnerships with stakeholders.

Lastly, we've developed new performance benchmarks to reflect the standards of the Global Reporting Initiative (GRI), which we adopted in 2003. This report's closing sections present the detailed GRI Indicators by which we track our success in meeting stakeholders' expectations.

An aircraft has to be moved – fast. The team swings into action, drawing on years of expertise. And all pulling on the same rope. The plane moves 15 feet in 6.31 seconds. The crowd cheers, a new team takes over. And all proceeds go to the United Way.

Proof positive that to get things moving you just have to pull together.

Social impact is an important dimension we always try to consider in developing GTAA initiatives. It could be a passenger satisfaction survey for a new airport service, or dinosaurs in Terminal 1 to promote the Royal Ontario Museum. Consultations on air traffic and its impact on local communities, or partnering with area companies in a landmark eco-business zone. Inviting everyone in the organization to meet the CEO over coffee, or supporting employees as they pull an aircraft to raise money for charity. The common thread is our responsibility to people, inside and outside the airport.



Social

RESPONSIBILITY



The airport is here to serve people as well as planes. That simple insight permeates all areas of our enterprise and is top of mind in every initiative we launch. It starts with our employees, the people who make the airport work: We have a responsibility to support their needs, welcome their ideas and reward their contributions. As for the countless individuals, families, organizations and communities we interact with every day – our responsibility to them is exactly the same.

Toronto Pearson is situated in the middle of a community – in fact, several communities that are constantly growing and changing, their complex interconnections extending throughout the region and beyond. Our challenge is to find the ideal balance between sensitively managing the social impact of our operations and helping maintain economic growth by meeting the multi-faceted demand for air transport.

We're committed to serving many stakeholders: the air carriers who serve this airport; the travellers who pass through our gates to all corners of the globe; the businesses that count on the airport as a vital source of employment and prosperity; the residents of neighbouring communities, who want a better understanding of how our operations affect their lives; our partners in various sustainability initiatives and charitable programs; and, above all, our own employees, who hope to pursue fulfilling careers in an organization committed to equity, diversity and open communications. These are the people to whom the GTAA is accountable and whose continuing support has made us a leader in delivering sustainable value.

Targets

ACHIEVED

Improved employee communications

TARGET *In 2007 we set a target, based on internal survey results, to improve employee awareness of corporate objectives. In 2008 we created a series of opportunities to improve communications from the CEO and executive team to all employees regarding strategic goals and other corporate activities. See page 23, “Respecting Ourselves,” for additional information.*

ONGOING

Partners in Project Green

TARGET *In 2007 we committed to developing communications and business strategies aimed at raising awareness of our new eco-business zone, Partners in Project Green. Since the project’s launch in October 2008, several committees and working groups have embarked on diverse green business initiatives.*

DATE DUE 2008–12

NEW

Stakeholder mapping

TARGET *Our goal is to gain a comprehensive understanding of stakeholders’ views of Toronto Pearson and the GTAA through opinion surveys and interviews.*

DATE DUE 2009–10

Attention Passengers

Of the many communities served by the GTAA, we naturally give special attention to the 31 million passengers who arrive and depart through Toronto Pearson each year, and to the airlines that serve them. Whether flying for business, on vacation trips or to connect with family and friends, travellers look to us to ensure a smooth, efficient and safe experience from the airport's access roads to the departure gate – and back again.

In 2008 the GTAA introduced a more systematic program for engaging with these key stakeholders. We began by conducting formal opinion surveys at “research cafés” in Terminals 1 and 3, asking passengers to rate various aspects of service quality. Of 5,435 respondents, nearly half then agreed to join a research panel in which they can offer suggestions and exchange views with fellow travellers. Membership has grown steadily, reaching more than 3,300 by the end of July 2009.

Initially members received e-news updates and participated in bi-monthly surveys, with response rates averaging a remarkable 30 per cent. Then in May 2009 panel activities moved online to a dedicated website, YourVoiceAtPearson.com, where visitors can offer views on everything from airport parking to check-in procedures to dining venues. Enthusiastically supported by the traveller community, the research panel program was recognized by a 2009 award of excellence from Airports Council International.

At the same time, Toronto Pearson is working to reach an even wider audience, exploring mobile messaging and other innovative channels by which passengers can express opinions or suggest improvements – and receive timely responses – literally while on the move.

International Connections

Another way the GTAA is serving the needs of passengers is by opening up new travel opportunities around the globe. This important measure of our economic impact also has a vital social dimension as we work to meet the travel priorities of diverse communities throughout the Greater Toronto Area (GTA) and across Canada (*see page 59*).

For example, keen interest from Canada's rapidly growing Turkish community helped drive the launch in July 2009 of direct flights between Toronto and Istanbul via Turkish Airlines. Similarly, over the past year PIA introduced its first non-stop flights to Pakistan, Aeromexico responded to increased demand by adding its own branded service to Mexico City, and both Air India and Korean Air increased service to include daily flights. In addition, significant growth in business and leisure travel to the Middle East prompted Emirates to introduce Canada's first Airbus A380 service on its Dubai route in June – knowing Toronto Pearson was ready to provide the specialized support required by super-jumbo jets.

This responsiveness to Canadians' increasingly global outlook was also evident in a series of bilateral air travel agreements throughout 2008 that brought many new destinations to Toronto Pearson's arrivals/departures boards: Reykjavik via Icelandair, Panama via Air Transat and WestJet, and Chile via LAN Airlines. As we forge new bonds and strengthen existing ones with international carriers, we're further extending the airport's demographic reach, helping immigrant communities stay connected to their roots while allowing all Canadian travellers to expand their horizons.

Business Class

In addition to bringing business people together by air, the GTAA also connects a thriving network of enterprises on the ground. The airport creates jobs and drives new investment, which in turns helps build communities and infrastructure, from homes and schools to retail and recreational facilities. While the airport is just one of many players that shape the socioeconomic landscape, it's a role we take very seriously.

A key facilitator of dialogue between the GTAA and the business community is the Community Consultative Committee, which meets four times a year and includes members of the Toronto, Brampton and Mississauga boards of trade; elected officials and staff of the municipalities and regions of the GTA; representatives from the tourism industry

and other business sectors; and community residents. Through productive discussion of economic development issues, the airport and local businesses find new ways of working together to achieve common goals. The committee tracks the latest trends in the travel industry, welcoming input on passenger service improvements, proposed new routes and other future plans. Ground transportation is another area of keen interest, in particular the GTAA's relationships with public transit authorities and Metrolinx, the Ontario provincial agency that is overseeing \$50 billion in new regional transportation projects over the next 25 years.

An aspect of ground transportation warrants more in-depth attention from a standalone forum: the Consultative Committee on Taxis and Limousines (CCTL). In the past, taxi and limousine operators tended to be viewed simply as providers of a service to passengers. Now they are seen as ambassadors for the airport and indeed the entire city. Through the CCTL, we work closely with these valued stakeholders to explore ways of making their fleets greener and to resolve problems such as "scooping" – the practice by which unlicensed operators illegally pick up arriving passengers, stealing fares from legitimate airport licence holders. Over the past year, a new program of vigilance and remedial action has significantly reduced the number of scoopers, protecting the livelihood of law-abiding businesspeople while ensuring passengers can rely on safe, regulated transport at Toronto Pearson.

Community Centred

For the GTAA, social responsibility extends not simply to those who pass through our airport or do business with us; we interact constantly with the many people and organizations residing "next door" to our facility. Here again, the key to responsible corporate citizenship is ensuring open, respectful two-way communications.

The Community Environment and Noise Advisory Committee (CENAC) regularly offers ratepayers in surrounding neighbourhoods the opportunity to raise potential concerns over noise from air traffic. The committee met five times in 2008 and another three times through

June of 2009. Top of mind for many area residents was the airport's program of early-turn trials, in which certain types of regional jets were permitted to make their initial turns after takeoff at a lower altitude.

Early turns cost-effectively minimize the spacing between departing flights and enable eligible aircraft to get on course sooner. They also have the environmental benefit of reducing greenhouse gas emissions, both while planes are airborne and when they're waiting on the ground in departure queues. First introduced in 2000, early turns have improved runway utilization while consistently meeting safety and environmental standards. The purpose of the 2008 trials was to build on the program's success by extending it to additional types of smaller aircraft now flying out of Toronto Pearson.

In a few cases, trial flights generated a significant number of noise complaints. Responding to heightened public awareness and media attention, the GTAA clarified the nature of the early-turn program within the broader context of standard operating procedures at the airport. Residents were soon reassured that the immediate issue would be addressed. As planned, any aircraft deemed too noisy would not be permitted to make any further lower-altitude turns over their homes. In moving promptly to suspend portions of the trial, we reinforced the message that the GTAA wants to consider its impacts and respond to the needs of the community and is working harder to familiarize people with aspects of airport operations that are not always fully understood.

The GTAA's outreach efforts are not just in response to specific public concerns. We regularly partner with nearby communities to raise awareness of airport activities and put a human face on our organization. For example, in 2008 we entered into a marketing partnership with the City of Mississauga, participating in Canada Day celebrations and other events where GTAA staff could interact with residents and share the latest news from Toronto Pearson.

We were pleased to host more than two dozen visiting groups in 2008 and the first half of 2009, among them individuals who had made charitable donations to participate in The Ultimate Airport Tour. We've

also strengthened our relationship with the organization Airport Watch, offering these airplane enthusiasts more opportunities to pursue their interest at Toronto Pearson – including privileged access to view our historic first landing of the Emirates Airbus A380 in June 2009.

Living Green

Since our founding, the GTAA has supported a wide range of charitable causes. In the past, however, donations were largely on an ad hoc basis, in response to perceived needs in the community. In 2008, GTAA management received approval from the Board of Directors for a more structured approach to giving.

Under the banner A Green and Living City, our new community investment policy is, as the theme name suggests, focused on urban causes in two main areas: green initiatives that further our commitment to sustainability through strong environmental management and pollution prevention, and community programs that promote all aspects of better living, from health and fitness activities to walks in support of more human-scaled neighbourhoods.

The overriding goal of A Green and Living City is to invest available resources where they yield the highest return – in creating more vibrant and sustainable communities around the airport.

Pulling Together

In October 2008 the GTAA organized an airplane pull in which teams from various companies at Toronto Pearson competed to pull an Air Canada Embraer 190 jet a distance of 50 feet. Staged as a fundraiser for the United Way – which also benefited from the heavy media exposure – the challenge is just one of many efforts, large and small, by which we try to give something back to our communities.

Events in support of the United Way, which also included a lost and found silent auction and a paper airplane toss, raised a total of more than \$132,000 in 2008 – nearly 264 per cent above target. Credit for this success goes to the entire Toronto Pearson community, as this year we

The overriding goal of A Green and Living City is to invest our resources where they yield the highest return – in making the airport's nearby communities more vibrant and sustainable.

extended the campaign to invite donations from employees of other airport companies, as well as passengers.

On a Saturday morning in June 2008 we launched the first-ever Runway Run, briefly closing one of the active runways at Toronto Pearson as more than 1,000 participants ran and walked to raise funds for the emergency department of the William Osler Health Centre at Etobicoke General Hospital. The event was a huge success, raising more than \$60,000. The second annual Runway Run in June 2009 drew twice as many participants and raised more than \$125,000.

Carrying on a long tradition, in 2008 and 2009 the GTAA once again sponsored Dreams Take Flight, the Air Canada program that flies underprivileged children on holiday visits to Orlando. GTAA employees were among the hundreds of volunteers who helped out, and we provided in-kind support by waiving landing fees. In a similar vein, we placed fundraising collection boxes in Terminal 1 as part of a new partnership with Air Canada Kids Horizons and Children's Miracle Network.

Other recent charitable efforts include significant donations of surplus furniture and office supplies to the boards of education in Toronto and Peel Region, and of unneeded airport uniforms to several homeless shelters across the GTA. And in December 2008 our Fire and Emergency Services team once again held its annual holiday food and toy drive, while staff from the Facilities team raised money for the Salvation Army's campaign to help families in need.

Lastly, our Green and Living City policy includes a commitment to invest a small percentage of the annual budget in efforts initiated by GTAA employees. Through everything from sports team sponsorships to charity bike rides, we help our people make a difference in their communities while strengthening their loyalty to our own organization.

Creative Partners

In 2008 the GTAA achieved a major milestone with the launch of the groundbreaking eco-business zone, Partners in Project Green. Working closely with the Toronto and Region Conservation Authority, we're

helping companies around the airport reduce energy costs and address a broad range of challenges with greener and more cost-effective solutions. This high-profile initiative is the largest of its kind in North America, encompassing more than 12,000 hectares of industrial and commercial lands that are home to some 12,500 diverse companies.

While primarily aimed at realizing our goals in environmental stewardship (*see spotlight article on page 66*), Partners in Project Green is also a model for community co-operation as dozens of businesses and organizations join forces with representatives from all levels of government. By helping the various players find common goals, share expertise and create new business opportunities together, the GTAA is further cementing our commitment to sustainable development and responsible collaboration in the communities we serve.

Our community support has a cultural dimension as well. In 2008–09 Toronto Pearson's Terminal 1 played host to several events showcasing cultural diversity, with performances by Aboriginal hoop dancers, musicians from the North by Northeast festival and steel bands from the midsummer Caribana celebration. In addition, a number of exhibits were mounted by area cultural institutions, including historic photos and artifacts from the National Ballet of Canada and a dinosaur display from the Royal Ontario Museum.

Respecting Ourselves

The GTAA is dedicated to maintaining an equitable and accommodating workplace that reflects the values of the larger community we serve. While our workforce has seen little change over the past two years – not surprising in a time of economic uncertainty – we are proud of our diversity and continue to gauge our performance against the Employment Equity Plan implemented following a comprehensive review of employment systems in 2004.

Our organization is committed to providing equal access to employment and advancement opportunities for all individuals and groups. We review all requests for accommodation on a case-by-case

The insights gained through face-to-face meetings with the President have proven invaluable as we work to make the GTAA more responsive than ever to the needs of employees.

basis, considering everything from physical modifications of the work environment to support for religious observances. We ensure all facilities at Toronto Pearson are free of barriers that could disadvantage our employees or anyone else seeking access to the airport where operationally possible.

Effective internal communications and consultations are crucial to the success of our enterprise. When a 2007 employee survey revealed concerns over how well management was communicating with the team, we took immediate remedial steps. Throughout 2008, the President and CEO met with employees on more than 30 occasions in “coffee club” sessions and other informal gatherings, sharing our new strategic direction in light of recent changes in the air transport industry. The President used these face-to-face meetings to gain direct feedback on how well employees felt the organization was performing – both in delivering against business goals and in meeting individual expectations. The insights gained through these sessions have proven invaluable as we work to make the GTAA more responsive than ever to the needs of employees.

In 2008 we redesigned the GTAA intranet portal to provide easier access to a wealth of information and resources. At the same time, we introduced a program called Your Voice at the GTAA, inviting employees to submit questions and comments – anonymously, if they wish – on issues that interest or concern them. Every query receives a response from someone in the organization with appropriate expertise. Covering everything from business practices to employment equity questions, the program has helped underline the value of open dialogue.

To further promote a spirit of inclusiveness, the GTAA provides training and awareness sessions on topics such as harassment in the workplace, violence prevention and developing sensitivity to those with special needs. This ongoing program for both new and existing employees ensures a common ground of understanding around corporate policies, as well as individual rights and responsibilities.

When faced with especially sensitive issues, GTAA employees also have an option called CARE – Confidential Anonymous Reporting for

Employees. Administered by an external third party, the program allows people to express concerns over unethical or potentially illegal behaviour without fear of reprisals or other consequences. And for employees facing personal or family problems, our fully funded Employee Assistance Program is available around the clock with confidential counselling and referral services – all designed to help employees deal with issues that could negatively affect their health, home life and performance on the job.

The same regard for employees' well-being informs all of the GTAA's workplace policies and practices. We're committed to eliminating health and safety hazards while providing the resources, training and leadership required to maintain a hospitable work environment for every employee. By ensuring safety is paramount in all current activities and new initiatives, we not only meet the high expectations of our customers and the travelling public; we also make a sound investment in the continued health, security and productivity of our workforce.

Developing Strengths

As the GTAA moves ahead on all fronts to execute the strategic plan launched in 2007, a key priority has been to identify the collective knowledge, skills and behaviours required to achieve our vision. The Human Resources team had already defined a set of core competencies covering all areas of the organization. In 2008 we began systematically reassessing these competencies with the goal of integrating them more formally into our HR programs.

To begin this reassessment process, management representatives from across the GTAA took part in a series of interactive sessions, ultimately reaching consensus on 10 core competencies that were considered timely and consistent with our corporate strategy, vision and values. Next, a formal assessment tool was used to evaluate individual managers' current skills and future leadership potential. Each participant received an assessment report, followed by personal consultations

in which his or her manager discussed the findings, offered coaching guidance and identified opportunities for professional development.

This process has continued into 2009, with the balance of management assessments expected to be completed by the end of the year. A comprehensive training program aimed at developing all core competencies will be introduced in 2010. This renewed focus on leadership development will help the GTAA be an even stronger global competitor, as managers learn to make more effective decisions in a rapidly changing business environment. At the same time, the skills we're fostering will help create a more responsive and collaborative culture in which every employee has the opportunity to pursue his or her full potential.

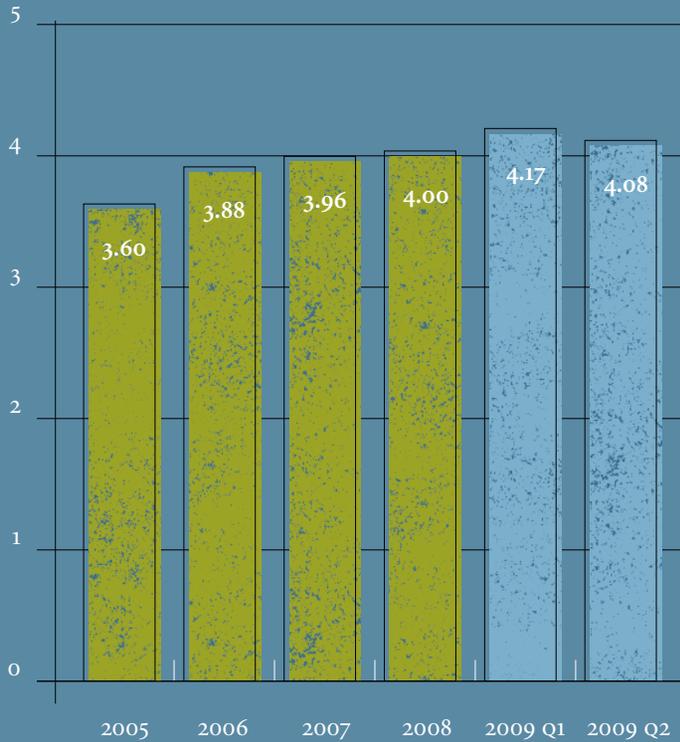
Seeing the Future

The steps we take to ensure the GTAA's future success reach beyond the current workforce to the employees of tomorrow. We regularly welcome student groups as they explore various aspects of Toronto Pearson, whether watching demonstrations by the Fire and Emergency Services team or helping with our annual Earth Day cleanup. Such tours strengthen community ties and at the same time present young people with possibilities for their own futures. GTAA representatives attend career day events at area schools, showcasing the more interesting job opportunities young people might pursue at a major international airport such as Toronto Pearson. And as part of our Green and Living City investment strategy, we sponsor a number of scholarships at post-secondary institutions offering programs in aviation and related fields.

In our community outreach efforts, as in the implementation of our strategic business plan, the GTAA is an organization with its sights set on the future. It could be as simple as answering a question from an enthusiastic Air Cadet – or as complex as bringing entrepreneurial companies together in a world-leading sustainability partnership – but the unifying theme is clear. There will always be areas where our business and social responsibilities present competing challenges; we will never stop seeking solutions that effectively balance the two.

Charting Results

PASSENGER OVERALL SATISFACTION – INTERNATIONAL *(from 1 (poor) to 5 (excellent))*



The ACI Airport Service Quality is an international airport customer satisfaction survey based on 30 criteria of airport satisfaction.

FEEDBACK TRACKING (2006–08)

	2006			2007			2008		
	Complaints	Compliments	Inquiries	Complaints	Compliments	Inquiries	Complaints	Compliments	Inquiries
JAN	174	23	65	267	21	68	204	23	91
FEB	191	34	67	263	25	52	248	35	86
MAR	195	41	68	325	39	88	248	27	194
APR	167	57	78	229	30	83	215	31	107
MAY	211	55	63	94	34	76	181	27	29
JUNE	182	35	76	192	30	76	205	21	33
JULY	204	38	68	165	29	80	205	21	44
AUG	267	29	69	178	30	78	164	13	34
SEPT	199	20	53	137	14	56	156	12	45
OCT	177	31	61	184	23	69	146	23	50
NOV	162	25	46	171	18	65	126	16	41
DEC	177	35	41	186	19	73	156	23	39
TOTALS	2,306	423	755	2,491	312	864	2,254	272	793

DONATIONS & SPONSORSHIPS (2008)

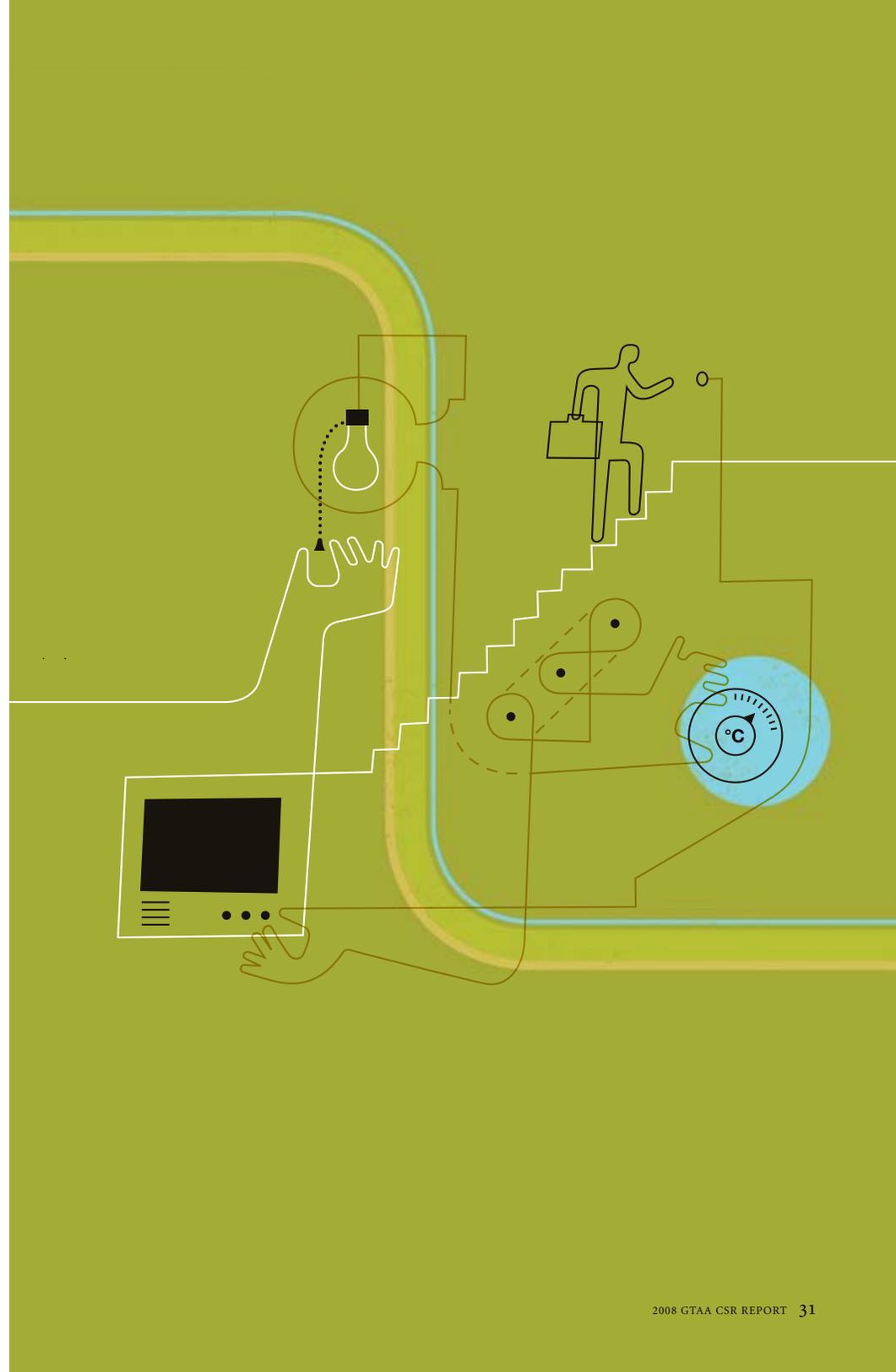
(dollars)

Political Donations	
Provincial	4,650
Municipal	34,808
Charitable Donations	15,370
United Way of Peel Region Fundraising	44,027
Community and Corporate Donations	41,330
Scholarships	11,000
GTAA Supporting Employees in Their Communities	6,150
TOTAL	157,335

First, some of the lights around the terminal began going out. Then the moving walkways came to a stop. The temperature grew a bit cooler. Even the TVs in the gift shops went black. And like millions around the globe, we saw what we could switch off and live without for one hour.

More important, we learned how much we didn't need to switch on again.

Environmental impact is now factored into every decision at the GTAA, and we work with organizations and communities worldwide on the challenges of long-term sustainability. In 2008, Toronto Pearson was the only North American airport to participate in Earth Hour, a global event aimed at dramatically cutting energy use. Supported by our passengers and business partners, we reduced our electricity consumption by 10 per cent for that symbolic hour – then subsequently adopted many measures on a permanent basis. Earth Hour 2009 yielded further savings of 10.5 per cent, along with a wealth of innovative ideas for an even greener future.



Environmental

RESPONSIBILITY

At the GTAA, we've always understood that when it comes to protecting the planet, there are no simple fixes. We pursue our commitment to a greener future at every level, whether gauging the impact of our energy use on global climate change or monitoring the outflow from a single storm drain. And we consider no environmental solution complete unless it builds in a mechanism for continuous improvement.

Environmental responsibility has been a pillar of our corporate vision from day one. Since certifying our Environmental Management System (EMS) to the ISO 14001 international standard a decade ago, we've steadily refined our management systems to place the GTAA among the leaders in energy conservation – constructing green buildings, introducing fuel-saving innovations and simply switching off unnecessary lights. We've also taken pains to safeguard Toronto Pearson's natural environment, working with local communities and conservationists to restore natural creek habitats and create eco-conscious public access.

In all of our efforts we tried to adopt the long view on environmental sustainability, anticipating problems before they arise and setting bold targets that we then try to surpass. The challenge of tackling issues with global repercussions is not something we take lightly, and we realize that progress can't be measured from one day to the next. But it's a mission we embrace wholeheartedly, joining with others across the community and around the globe as we try to bring about a genuine change for the better.

Targets

ACHIEVED

Anti-idling program (first phase)

TARGET *In 2007 we targeted the development and implementation of an anti-idling program for all groundside and airside vehicles at Toronto Pearson.*

DATE DUE *In 2008 we initiated the program by notifying all airport tenants of our objectives, and in 2009 we began developing a formal policy and comprehensive program. This second phase will be an ongoing initiative into 2010.*

ONGOING

Reduce airport energy consumption

TARGET *In 2008, through a number of energy management initiatives, we achieved an annual reduction in consumption of 4.23%. Our five-year goal is an overall reduction of 10% (using 2006 as the baseline year). See chart on page 46.*

DATE DUE 2012

NEW

Sustainable printed communications

TARGET *Our goal, measured against a 2008 baseline, is to convert 10% paper and printing practices to those certified environmentally friendly and convert 10% of printed copies of publications to electronic copies.*

DATE DUE 2010

Powering Down

Proactive energy management is one of the cornerstones of the GTAA's environmental strategy. We are committed to reducing electricity consumption at Toronto Pearson by 10 per cent over the five-year period ending in 2012. Our annual target for 2009 was the most ambitious yet as we aimed to cut power use by 5 per cent from the previous year.

Among the key initiatives introduced to achieve this goal was our shift to “sleep mode” in two airport buildings that are not currently in use: the Infield Terminal (IFT), opened in 2003 to handle extra passenger traffic during the construction of Terminal 1, and the Terminal 3 Satellite, which at this point is not required to service aircraft flying in and out of Toronto Pearson. The airport's maintenance and energy management teams have restricted access to both facilities and reduced electrical needs to the bare minimum necessary to maintain them safely. Putting these areas to “sleep” has yielded significant energy savings. Down the road, should we experience a rise in passenger demand, they can be reactivated quickly and economically.

Another recent power-saving initiative that brought immediate benefits was a runway improvement project, completed in early 2008, that replaced outmoded landing lights with more energy-efficient alternatives. Previously, one of Toronto Pearson's runways had used only high-wattage bulbs for centreline and touchdown lights. When an ongoing maintenance program called for the upgrade of all lighting and cabling, the facilities team concluded that switching to a mix of lower-wattage bulbs would still meet the strict international standards for visual guidance systems while substantially reducing power use. What's more, it was determined that the runway in question could have less lighting overall and remain fully compliant with safety regulations. Replacing fewer fixtures yielded additional savings of \$1.28 million – further evidence that going green can be highly cost-effective.

Lights Out

The quest for energy efficiency guides all aspects of planning and operations at Toronto Pearson. When Terminal 1 opened in 2004, overhead lighting systems were calibrated to the facility's maximum capacity of 50 million passengers a year. Now illumination levels are adjusted to reflect changing needs throughout the day, as well as variations in seasonal traffic flows. After midnight, for example, lights above check-in counters and in some restricted zones shut off automatically, other than in areas where cleaning crews must work. Lighting on the terminal's service level has been cut by 75 per cent between 10 p.m. and 5 a.m., while illumination in the baggage sorting facility has been permanently reduced by 50 per cent. And throughout the airport, lighting designed solely to enhance architectural aesthetics has been deemed non-essential.

Similarly, all heat, ventilation and air conditioning (HVAC) systems are now scaled back during off-peak hours. Baggage conveyors have been reprogrammed to operate more efficiently and only when necessary. In short, Toronto Pearson employees have fine-tuned the entire airport to minimize wasted energy – with no discernible impact on the millions of passengers who pass through our gates annually. Moving forward, the GTAA's energy management team will continue seeking opportunities to reduce electricity consumption in all areas, creatively balancing our green commitment with an equally strong devotion to maintaining safety and quality service.

Taken together, these energy-reduction initiatives have a significant impact on the bottom line. In 2008 the GTAA's total electricity usage declined by more than 24,500 megawatt hours (MWh) – a reduction of 4 per cent from the previous year, saving just over \$1.9 million. By the end of June 2009, year-to-date reductions totalled nearly 12,700 MWh with a value in excess of \$1 million. In achieving a further cut of more than 4 per cent over the preceding 12 months, the airport was well on the way to reaching its 5 per cent reduction target for the year.

Never Idle

Another source of environmental concern for the GTAA is the wide range of ground transport deployed around the airport – from taxis, limousines and buses to aircraft maintenance, apron security and other “airside” vehicles. In the past, many of these vehicles sat idling for extended periods, their exhaust dispersing contaminants that degraded air quality and contributed to the buildup of harmful greenhouse gases. This was entirely unnecessary, as research has proven that frequent restarting does not harm mechanical components – and even in cold weather, modern internal-combustion engines do not require long warm-up times.

In November 2008 Toronto Pearson introduced a new initiative that limits unnecessary idling to no more than three minutes within any 60-minute period. The only exceptions are during extreme winter or summer weather, if vehicles’ interior temperatures rise above 27°C or drop below 5°C. Vehicles providing emergency services or carrying equipment that requires constant power from an engine are also exempt.

Support for this initiative has been slow to gain traction. We are therefore stepping up efforts to communicate its long-term environmental benefits. A formal anti-idling policy is now being drafted for all Toronto Pearson tenants; we anticipate that its implementation by the end of 2009 will boost the overall success of our anti-idling campaign. Complementing these measures is a broader commitment from the GTAA to reduce fuel consumption across our entire vehicle fleet by setting EMS targets for 2009–10. By mid-2009 our use of diesel fuel was down by more than 17 per cent over the previous year.

Ice Breaker

At Toronto Pearson’s Central Deicing Facility (CDF), the largest operation of its kind in the world, aircraft are sprayed with a mixture of water and ethylene glycol to ensure safe cold-weather travel. The CDF added a glycol processing system in the winter of 2007–08. The new technology produces a concentrate of spent fluid that can be sold to

Our Environmental Approach



The GTAA is committed to developing and operating airports in an environmentally responsible manner, in compliance with relevant legislation and within an overall framework of environmental, economic and social sustainability. That commitment is reflected in our day-to-day business activities as we work to minimize our impact on the natural environment, as well as nearby communities.

Our policy is founded on a dedication to continuous improvement. We set clearly defined environmental objectives and targets, then implement action plans to address all aspects of airport operations. In our efforts to prevent pollution and improve environmental performance, we adopt best management practices, deploy cost-effective technologies and systematically monitor progress on all initiatives.

To ensure the successful implementation of this policy, the GTAA uses an Environmental Management System (EMS) certified to the ISO 14001 international standard. EMS components include:

- conducting environmental audits to ensure compliance with applicable laws, regulations, policies, objectives and targets
- regular monitoring of factors such as water and air quality, noise levels, the impact of airport development and handling of hazardous materials
- constantly developing and promoting standards for all areas that have a potential environmental impact
- integrating environmental assessment and management practices into all decision-making on airport planning, construction and operations
- communicating regularly with GTAA staff on environmental policy, roles, responsibilities, objectives and targets
- producing an annual environmental performance report to the CEO, the Board of Directors, employees and the public.

secondary markets, which helps offset operating costs while fulfilling the GTAA's mandate to limit environmental hazards.

In 2008, seeking further reductions in glycol use, the CDF reassessed its practices and concluded that the fluid did not have to be used at full strength in all weather conditions. The facility began blending Type I concentrate with varying amounts of water, depending on outside temperatures. As a result, the 2008–09 winter season saw overall glycol use cut by 646,000 litres. This innovation has reduced both the total expenditure on glycol and the subsequent cost of processing spent fluid. The program has also dramatically lowered the volume of waste entering the airport's stormwater management system, which is designed in part to eliminate glycol-contaminated runoff. Once again, GTAA employees identified an astute cost-cutting measure that has proven green value as well – and still meets safety regulations.

Another recent initiative aimed at optimizing runway use during inclement weather pays a similar green dividend. In late 2008 the Operations team introduced a departure-metering program to shorten aircraft queues during severe winter conditions. The new system allocates limited departure slots and better manages the flow of aircraft through deicing, which in turn reduces congestion, minimizes delays for passengers and saves fuel.

Flying Economy

In June 2008 the GTAA announced a significant reduction in cargo landing fees at Toronto Pearson. The move was designed to give a further boost to the airport's competitiveness and to the overall economic health of the region. At the same time, this financial incentive to shift cargo to air carriers could remove trucks from Ontario highways – easing traffic, speeding up border crossings and reducing ground-level air pollution along the routes linking Toronto with New York, Chicago and other U.S. centres. The fee reduction program also includes environmental provisions encouraging carriers to upgrade their fleets with quieter and more fuel-efficient aircraft.

By reducing the amount of glycol required for deicing planes safely, Toronto Pearson employees have once again identified an astute cost-cutting measure that has proven green value as well.

Buying Green

To maximize our potential influence as a sustainable enterprise, our policy on contracting and procurement stipulates that every department across the organization must try to purchase goods and services that minimize or positively enhance our impact on the environment. Any eco-conscious option that meets our operational requirements must be chosen if its cost is equal to or less than that of reasonable alternatives.

Recognizing that we can use our purchasing power to inspire greener business choices throughout the community, the GTAA:

- specifies green criteria within most contracts
- works with vendors to improve the environmental performance of their products and services
- going forward, intends to formally review the environmental impact of purchase decisions
- provides advice and training to raise GTAA employees' awareness of eco-sensitive purchasing strategies
- encourages all departments to keep pace with new green technologies that meet our business needs
- invites employees' ideas and feedback to ensure our sustainable procurement practices continue to improve.

Forecast Change

While it is helpful for reporting purposes to separate the environmental and social dimensions of corporate responsibility, in practice the two are inextricably linked. No enterprise can turn green in isolation. The GTAA can only address daunting challenges such as global warming or fossil-fuel depletion by working side by side with others who share our concern for the fate of the planet.

It was in this spirit that Toronto Pearson took the lead among airports in joining the Earth Hour initiative (*see page 30*). The annual event has been a helpful testing ground for measures that are now part of our ongoing energy management strategy. We reinforced this cor-

porate priority in May 2008 by taking part in the first Energy Conservation Week. Spearheaded by the Ontario Power Authority, the campaign promoted a new “culture of conservation” in the province by demonstrating how individuals can have a big impact with only slight modifications to how they consume energy at home and in the workplace.

On the world stage, meanwhile, Toronto Pearson joined more than 300 airports in signing a declaration on climate change tabled at the Aviation & Environment Summit in Geneva. Acknowledging that aviation accounts for about 4.9 per cent of global climate change impact, the April 2008 declaration reinforced an industry-wide commitment to pursuing new ameliorative technologies, as well as operational efficiencies. Lloyd McCoomb, President and CEO of the GTAA, underlined our commitment: “We will work with all players across the industry to target carbon-neutral growth as a step toward a carbon-free future for aviation.”

Efforts to meet the challenge of global climate change continue to gain momentum at the GTAA. We now calculate greenhouse gas emissions on a quarterly basis at Toronto Pearson, gathering the hard data we need to measure progress and find opportunities for further shrinking our carbon footprint.

Single Destination

The GTAA's dedication to environmental responsibility is grounded in a perfect convergence of goals: by investing in the future health of our planet and our nearby communities, we're also safeguarding our own future as an enterprise.

We have assumed a leadership role in minimizing the impact of our airport and of our industry. That means finding immediate remedies for today's problems. It also means looking ahead to avoid potential issues down the road. And it means forging alliances with like-minded businesses and organizations – as demonstrated by the success of Partners in Project Green (*see page 66*), the eco-business zone around

Toronto Pearson that has set a new global standard for coordinated, economically viable sustainability initiatives.

Above all, going green will remain a GTAA priority for the simple reason that it's the right thing to do. Our employees recognize its value to their own lives and to the world we'll leave our children. Many participate in our Smart Commute program, opting for public transit or carpooling with co-workers in order to ease vehicle emissions and congestion. We also support Bike to Work events in the GTA. And as mentioned in our discussion of social responsibility, the GTAA is working with Metrolinx and other transportation authorities on a regional plan that will dramatically improve transit services.

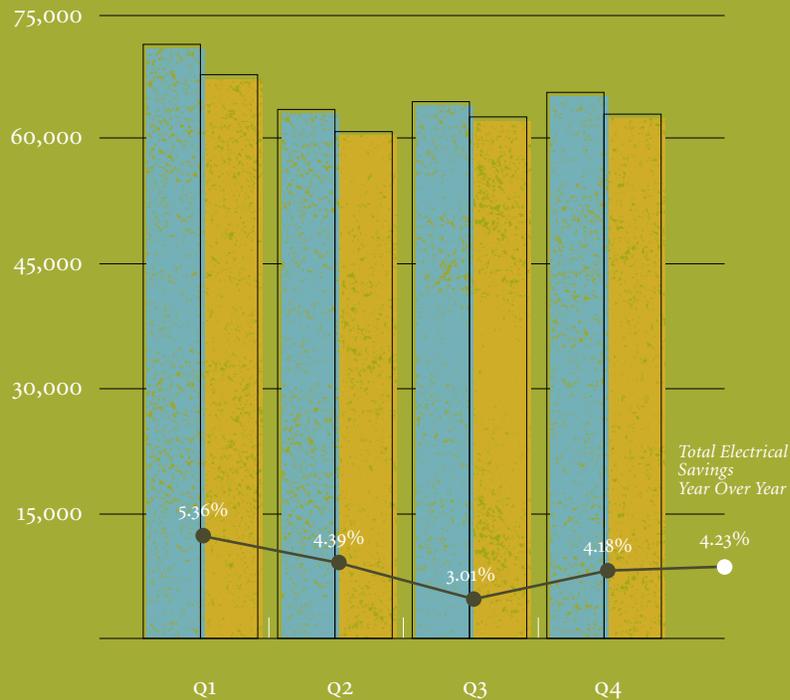
In the same spirit, the communities around Toronto Pearson welcome our efforts to be good environmental neighbours, whether we're protecting natural habitats in Etobicoke Creek, joining in the opposition to inappropriate land development, managing night flights to address noise concerns, refining our waste management and recycling programs, or ensuring that water leaving our property has not been adversely affected by airport operations.

In the years ahead we will continue to listen, consult, educate and respond to stakeholders' concerns, joining with our colleagues, our neighbours and our partners around the globe to protect our most precious resource – the Earth itself.

We will continue to listen, consult, educate and address concerns, joining with our neighbours and our partners around the globe to protect our most precious resource – the Earth itself.

Charting Results

ELECTRICAL USAGE (MWh) AND ACCUMULATED SAVINGS* (2007 vs. 2008)



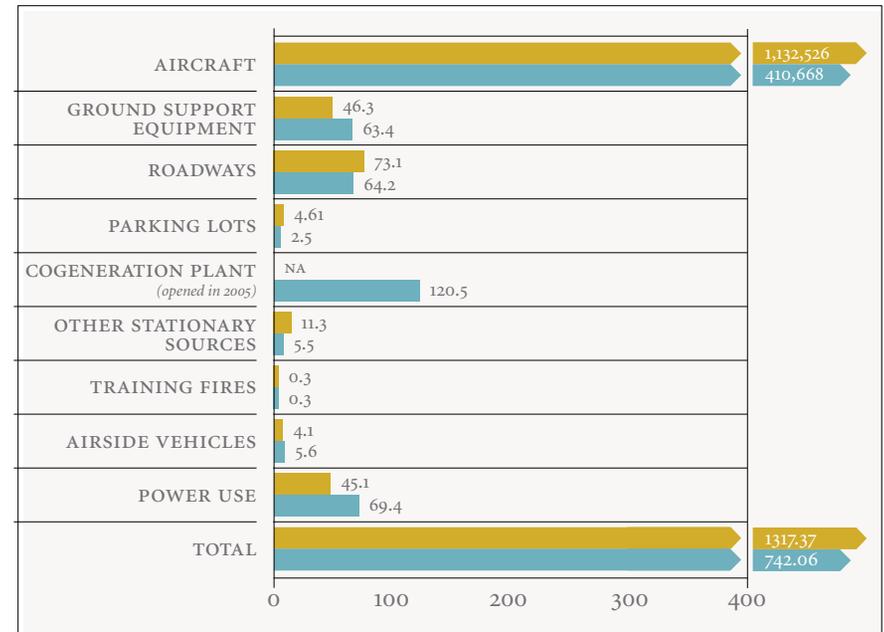
● 2007 ● 2008 ● Accumulated quarterly savings 2008 over 2007

*These totals do not include major tenants.

GREENHOUSE GASES

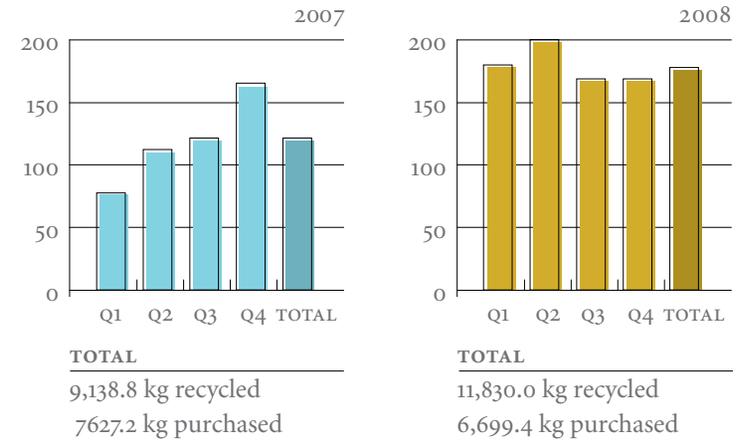
(thousands of tonnes)

■ 2000 ■ 2007



SHRINK WRAP RECYCLING PROGRAM

Diversion Rate (%)

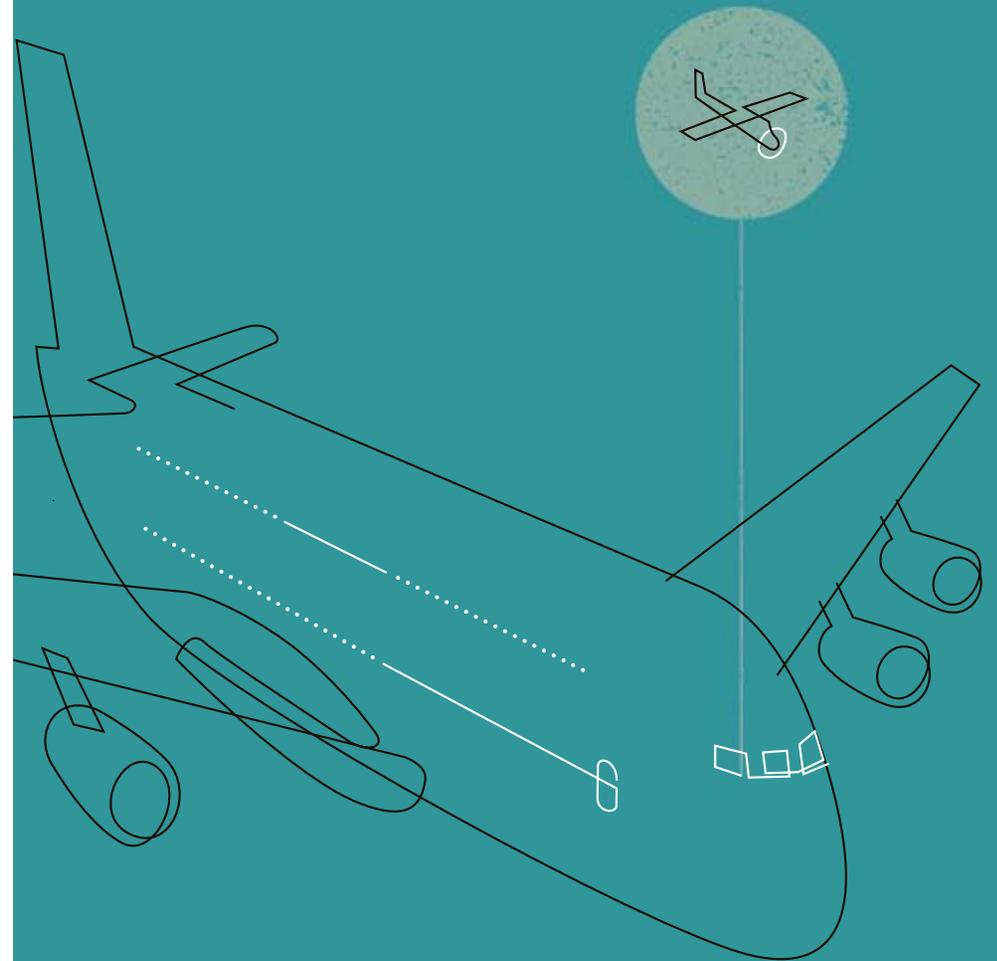


This figure represents material from GTAA and other sources.

On final approach to Pearson,
he spots the tiny airfield where
he flew his first Cessna.
Touching down a few minutes
later, it feels like coming home.
Though the terminal is a lot
bigger. And the cheering crowd
is new. And his final stroll
through the cabin could almost
be a trip on its own:

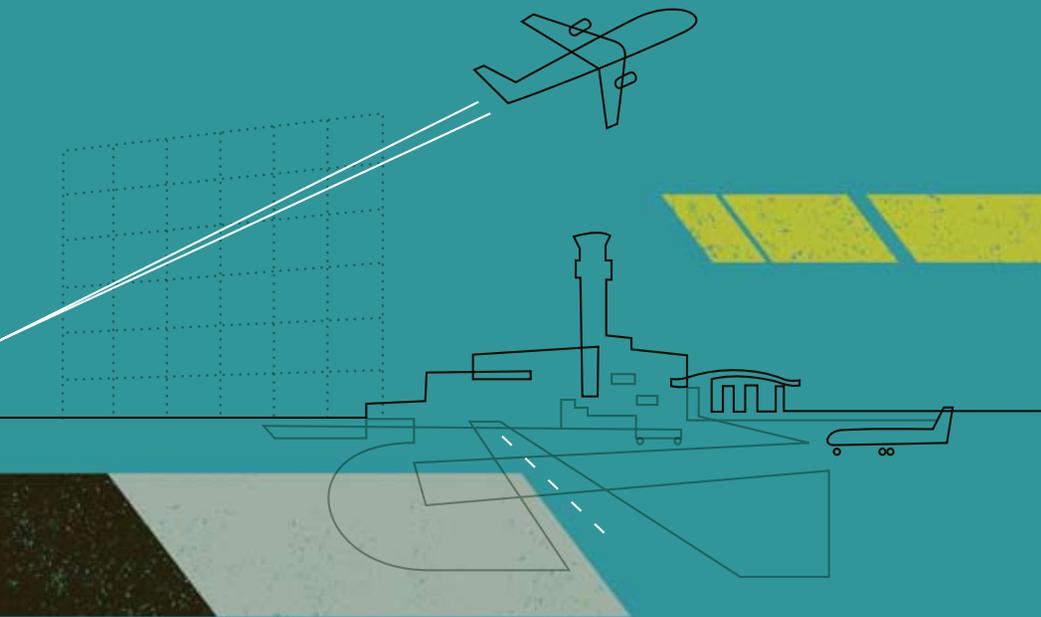
525 seats, two staircases, a pair of private
showers and a standup bar.

Economic impact at the GTAA extends not just into our surrounding communities but right around the globe – and back again. When an Emirates Airbus A380 flew in to Toronto Pearson on June 1, 2009 (piloted by Capt. David Heino of nearby Burlington), it was the first scheduled landing in Canada of the world's largest passenger aircraft. The new super-jumbo jet service reflects the recent boom in travel between Canada and the Middle East, which the airline has supported with direct flights to Dubai since 2007. After a decade of expansion, our airport is ready to accommodate these double-decker behemoths – and many more to come.



Economic

RESPONSIBILITY



About 40,000 people work at Toronto Pearson. The airport creates an additional 145,000 jobs across our surrounding communities, either directly in areas such as airline operations and cargo handling, or indirectly via hotels, restaurants and other services. Individuals, families, small businesses and large organizations all depend on us for their livelihood. And we depend on them for ours. Together we create an annual economic impact estimated at more than \$26 billion.

Canada's largest airport is an engine of prosperity for southern Ontario and an economic driver for the entire country. We provide the vital connections by which millions of business travellers can sell their products and services, collaborate with colleagues, forge profitable new alliances and explore untapped markets. Through our facilities and the services radiating from them, billions of dollars worth of cargo reach the region and, from there, the rest of Canada – or are shipped out-bound to the far corners of the globe.

Toronto Pearson creates employment and business opportunities in everything from freight forwarding to aircraft maintenance, building construction to limousine services, childcare centres to coffee shops, local entertainment venues to international adventure tours. We're proud of the role we play in sustaining these complex inter-dependencies. And we're acutely aware of our responsibilities within the economic ecosystem.

Targets

ACHIEVED

Encourage new routes

TARGET *In 2007 we set a target to expand passenger and cargo services and develop new route offerings. We have made significant achievements in these areas.*

See page 17 for more details.

ONGOING

Revenues under expenses

TARGET *In 2007 we set a four-year target to reduce operations and maintenance costs, and to increase non-aeronautical revenues, while maintaining customer service, safety and environmental programs. In 2008 we made progress on these targets. For full details, see the Management's Discussion and Analysis section of the 2008 Annual Report.*

DATE DUE 2008–12

NEW

Lower cost per passenger

TARGET *Our goal is to reduce our airline cost per enplaned passenger by 3% per year for three years, beginning in the 2009 calendar year.*

DATE DUE 2009–12

Planning Ahead

Any discussion of the GTAA's economic impact must be set in the framework of the comprehensive strategic plan approved by the Board of Directors in 2007. Our corporate focus on global competitiveness, gateway development and sustainability has guided all the initiatives we've undertaken since. That we were able to continue pursuing our long-term goals during one of the most dramatic economic downturns in decades is a testament to the flexibility and resilience of our plan.

In order to improve Toronto Pearson's competitiveness, in 2008 we maintained a commitment from the previous year to reduce landing fees and terminal charges. In addition, we announced a 25 per cent reduction in all-cargo landing fees – including (as discussed earlier in this report) incentives for carriers to use more fuel-efficient aircraft. These efforts at mitigating the impact of the recession helped airport-dependent businesses remain competitive alongside us.

At the beginning of 2009, industry forecasts projected that passenger traffic would be significantly lower over the coming year, bringing a corresponding decline in revenues. While historically such dips have been cyclical, there was no question of simply waiting for passenger levels to return to their previous highs. The GTAA responded swiftly to the continuing recession with a four-point action plan:

Cost-Containment Measures: In addition to freezing management salaries, we also announced a hiring freeze. Operating expenditures were reduced across the board, in part through the closure of several non-essential facilities. And a rigorous cost-cutting program was introduced in all GTAA departments.

Deferral of Capital Program Spending: Investments previously announced for 2009 were reduced by a total of \$83 million or 46 per cent of the annual budget. Deferred projects included the planning and design of Pier G, development of the Terminal 3 Master Plan, expansion of the Terminal 1 garage facility and demolition of the Terminal 2 garage.

Incentive Program: A unique rebate program offered discounts on landing fees to any carrier at Toronto Pearson increasing their annual

landed weight. The goal was to increase competitiveness, offer passengers more choice and stimulate growth at the airport and throughout the regional economy. Eligible airlines showed immediate interest, recognizing that they could save 50 per cent on landing fees in the first year and another 25 per cent in the second.

Airport Improvement Fee (AIF) Increase: Beginning in June 2009, Toronto Pearson began charging every departing passenger an additional \$5 to help subsidize the cost of airport improvements. (There was no increase for connecting passengers.)

All of the measures in our four-point plan have played a critical role in maintaining current services and encouraging new traffic at Toronto Pearson. They reflect our long-standing commitment to fostering a stable and cost-efficient air transport industry, which in turn helps ensure the competitiveness of our region, our province and all of Canada.

Added Plus

In 2008 the GTAA launched another leading initiative under our strategic plan: a comprehensive quality management system called QPlus. We are now rigorously reviewing all business processes as we seek smarter and more effective approaches – especially in areas where the competitive goalposts have moved or established practices have simply been taken for granted.

QPlus is a tool to assist Toronto Pearson in attracting airline partners and pursuing additional revenue opportunities. The program takes a systematic approach to encouraging innovation, setting out a clear methodology that managers can follow to improve efficiency, reduce costs, increase customer satisfaction and ultimately make the airport a stronger global competitor. QPlus consists of four key steps:

- Document and analyze all current business processes from the perspective of customers, employees and GTAA partners.
- Test and implement potential improvements.
- Audit each implementation to ensure all objectives were met.

- Sustain this continuous improvement process going forward, supported by standardized QPlus training and management tools.

We've already begun to see the tangible benefits of this quality-focused approach to streamlining process management.

As a complement to our quality management system, the GTAA has also introduced a new leadership training initiative aimed at sharpening managers' decision-making skills and helping them pinpoint the best solutions within a climate of constantly accelerating change. In keeping with our concern for the human dimension of bottom-line issues, the training initiative places particular emphasis on managers' personal development and on fostering the skills they need to guide, mentor, coach and encourage better communications within their teams.

Snow Banking

An excellent example of the QPlus strategy in action is our dramatic reduction in the cost of clearing snow from the runways at Toronto Pearson. In the winter of 2007–08 the airport experienced a near-record snowfall of 194 cm spread over 31 events. Total expenditure on snow removal averaged \$149,653 per cm or just over \$29 million – about double the amount budgeted. There was a need to find efficiencies and contain costs without compromising safety or service quality.

Applying the QPlus method, the airfield maintenance team mapped out and analyzed the various components of the snow removal process. One key finding was that Toronto Pearson lacked precise benchmarks for gauging performance in this area. The team therefore undertook a formal benchmarking exercise, connecting with their counterparts at the international airports in Montreal and Boston to compare operations and share metrics.

Armed with findings from on-site visits to these partner airports, as well as recommendations from a cross-functional working group at Toronto Pearson, the maintenance team then introduced a wide range of improvements, from more in-depth communications and training to specific guidelines on vehicle operation and chemical use.

The GTAA sets out a method managers can follow to improve efficiency, reduce operating costs, increase customer satisfaction and ultimately make the airport a stronger global competitor.

The results of these improvements were graphically evident in the following winter of 2008–09. Total snow accumulation was down somewhat, at 153.5 cm over 28 events. But the cost of removal services was cut to just \$90,851 per cm, an improvement of 40 per cent over the previous winter. Moreover, with QPlus process management in place, the airport can now be far more rigorous in tracking performance and seeking further improvements as we move forward.

Driving Lesson

The QPlus program is also improving operational areas that may be comparatively small in scope but nevertheless have an impact on customer satisfaction. A case in point is the system for handling pre-arranged pickups by taxis and limousines other than those licensed to serve Toronto Pearson. Historically, drivers had to book each pickup with dispatchers at the airport – a time-consuming process that caused significant backlogs during peak periods. As the volume of pre-arranged business has grown in recent years, delays were resulting in lost fares for service providers and, worse, unhappy arriving passengers who were forced to find alternative transport.

Following a comprehensive QPlus review, the process has been optimized at all levels. Drivers can now create, cancel or change their pre-arranged bookings at automated kiosks. As passengers arrive, curbside attendants using handheld devices can quickly access the service provider database and summon the appropriate driver by cell phone or via the PA system. The new process is far more efficient and accurate, ensuring smoother operation and greater accountability at every stage – including the tracking of all transactions and associated fees by the airport's finance department.

Now Departing

As we've seen, steady growth in the number of international carriers flying in and out of Toronto Pearson has helped us keep pace with demand from the community. The successful negotiation of new

bilateral agreements has also had a positive economic impact, both for businesses utilizing the airport and on our own balance sheet.

The GTAA has worked diligently over the past several years to offer international access not available from other airports, boosting our competitiveness while opening up new markets for commerce, tourism and personal travel. The addition to our arrivals board of carriers such as Icelandair, LAN Airlines and, most recently, Aeromexico (which began daily non-stop service between Toronto and Mexico City in March 2009) will yield significant direct and indirect economic benefits in the years ahead. Similarly, continued enhancements to the North American coverage offered by our Canadian and U.S. carriers meet a need for faster, more economical connections with our closest trading partners.

In addition to new passenger services, Toronto Pearson has expanded its cargo services as well, notably with the addition of Lufthansa Cargo in the third quarter of 2008. With twice-weekly service from Frankfurt using MD-11 freighters, Lufthansa offers European and Canadian customers approximately 90 tonnes of cargo capacity per flight.

Lufthansa's arrival reinforces the economic importance of Toronto Pearson as the country's leading air cargo gateway, handling more than 45 per cent of all Canadian airfreight or nearly \$32 billion in goods annually. Indeed, the airport's leadership in this area has won international recognition: In the 2008–09 Airport Cargo Excellence (ACE) competition, our services were rated second in North America among airports handling up to one million tonnes per year. The highly regarded survey evaluated 93 major airports on performance, value, facilities and regulatory operations. Toronto Pearson's ranking among the best on the continent is a great source of pride for our organization and, even more important, offers a further competitive advantage to cargo customers in our local region and across the country.

Sharing Time

The knowledge and skills we've developed at the GTAA are not only beneficial to our immediate customers; we're now exporting our

expertise around the globe through a range of consulting services. Since 2007 a team of employees with hands-on experience in opening terminals has travelled the world assisting airports that are launching new facilities, including Dubai International Airport and John F. Kennedy International Airport in New York. GTAA consultants are also working on the development of new terminals in Edmonton and Winnipeg.

Other specialized services at Toronto Pearson are exploring opportunities to share their expertise. In 2008 the airport's renowned Fire & Emergency Services Training Institute (FESTI) provided training to more than 3,000 firefighters from across Ontario and around the globe. FESTI trainees return to their communities equipped to deliver superior service and establish higher safety standards. They also gain a deeper understanding of the environmental safeguards that are integral to contemporary firefighting and prevention. The GTAA, meanwhile, is able to use revenue generated by the program to expand our sponsorship of local community initiatives.

The success of FESTI training reflects an ideal convergence between our dedication to community-building and our goal – mandated by the strategic plan – of seeking more non-aeronautical sources of revenue. Another example is the GTAA Canine Unit, which offers training to various police and security forces, turning the commitment to raise law enforcement standards into a cost-recovery opportunity. The unit also takes the lead in many outreach initiatives, visiting schools and community groups to raise awareness of security at Toronto Pearson and pique young people's interest in airport operations.

Meeting Business

As we saw in our earlier discussion of social responsibility, the GTAA's Consultative Committee provides a forum for dialogue on economic development around the airport, helping Toronto Pearson and the business community identify any common goals. Large corporations, mid-sized companies and local entrepreneurs work with GTAA man-

agement and staff on everything from pursuing new air travel routes to the role of the airport in long-term municipal planning.

Another area of shared interest is the need for cost-efficient, environmentally responsible ground transportation. In 2008 we announced our support for Metrolinx, a provincial agency whose regional transportation plan maps out \$50 billion in new projects over 25 years and proposes nearly 100 measures to improve current services and build additional infrastructure. Several new transit connections are envisioned for Toronto Pearson: from downtown by a rail link, from the east along Eglinton Avenue, from the north via light rail on Finch Avenue, and from the west by rapid-transit buses from Mississauga City Centre. Quick, convenient and reliable airport access could benefit countless travellers, as well as many of the 40,000 people who work at Toronto Pearson.

From the regular meetings of the Consultative Committee on Taxis and Limousines (CCTL) to our long-standing partnerships with Toronto, Mississauga and the other municipalities and regions in the Greater Toronto Area, we understand that our economic future is intertwined with that of the communities that keep us in business.

Future Rewards

At the end of the day, how do we measure the GTAA's success? This report includes an array of economic indicators attesting to our prudently managed financial performance, even during the recent downturn. Those numbers are important to us as an enterprise conducting business in the global marketplace and answerable to a broad base of stakeholders. But as an organization that is also committed to social responsibility, we know success is measured in more than dollars. That's why we've been so gratified to see Toronto Pearson's marked rise in customer satisfaction surveys that rank the world's leading airports.

We're equally proud of the various distinctions our airport has earned. In 2008 Toronto Pearson won a coveted Airport Facilities Management Excellence Award, placing second among airports serving

Taking the time to put responsible strategies in place will ensure the sustainability of the GTAA and the long-term environmental, economic and social health of our surrounding communities.

more than 30 million passengers a year. We were singled out for our collective achievements in five areas: leadership, innovation, sustainability, customer service and operational efficiency. Similarly, when Cathay Pacific's Toronto Pearson team took top honours in the 2008 Best Airport Performance Awards, we were delighted to be recognized for our supporting role in helping this respected carrier win the highest marks for customer service and operational efficiency.

Whatever yardstick we use to measure our progress, we're confident that the GTAA will continue to have a significant positive economic impact on the community and the country – because we have the right plan in place. The strategy we unveiled two years ago, with its emphasis on controlling costs, improving service and building long-term sustainability, will ensure we continue meeting the needs of our stakeholders while balancing the various impacts of our complex enterprise.

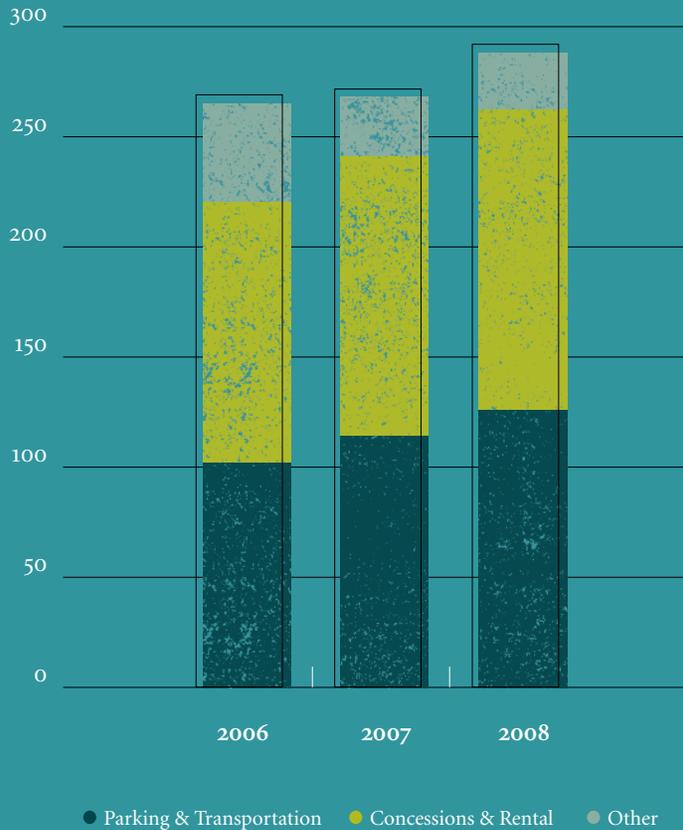
As we said at the outset of this report, taking the time now to put responsible strategies and tactics in place will secure the future sustainability of the GTAA and – inextricably wrapped up in that endeavour, and far more important – ensure the long-term social, environmental and economic health of the many communities we serve.

And clearly that is something we all have time for.

Charting Results

NON-AERONAUTICAL REVENUES

(in thousands of dollars)



RESULTS OF OPERATIONS

(in dollars)

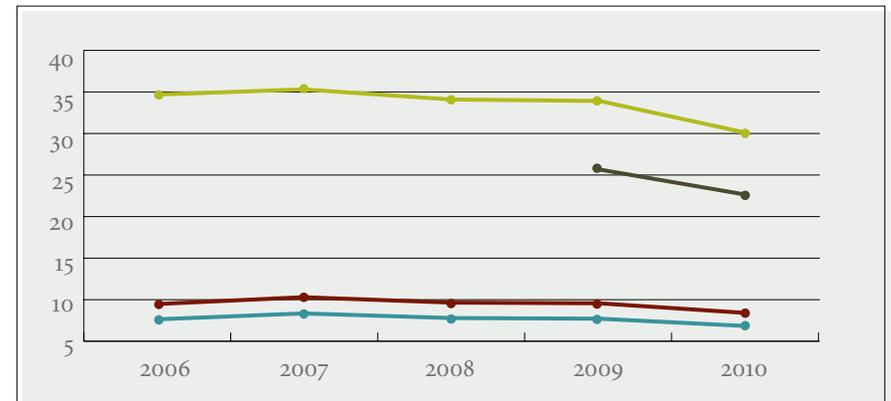
KEY METRICS

	2005	2006	2007	2008
Total Revenue per Passenger (PAX)	31.8	34.3	37.6	36.3
Concession Revenue per PAX	1.9	2.1	2.2	2.5
Total Operating Expenses per PAX	17.4	18.0	17.5	17.2
Debt per Enplaned PAX	457.4	430.1	471.1	464.7

	2005	2006	2007	2008
Total Revenue per Passenger (PAX)	31.8	34.3	37.6	36.3
Concession Revenue per PAX	1.9	2.1	2.2	2.5
Total Operating Expenses per PAX	17.4	18.0	17.5	17.2
Debt per Enplaned PAX	457.4	430.1	471.1	464.7

REDUCTION OF RATES AND CHARGES

(in dollars)



- Domestic Terminal Charges – per seat
- Non-Domestic Terminal Charges – per seat
- Landing Fee – Fixed-Wing Aircraft – per 1,000 kg*
- All cargo – per 1,000 kg*

*In excess of 19,000 kg – Maximum Take off weight (MTOW).

SPOTLIGHT ON...

PARTNERS IN Project Green



Since its formal launch in October 2008, Partners in Project Green has gained global attention as a model for private and public sector collaboration in the pursuit of profitable sustainability. With Toronto Pearson as its centrepiece, North America's largest eco-business zone provides a unique opportunity for the GTAA to apply everything we've come to believe about social, economic and environmental responsibility in an enterprise that's greater than the sum of its partners.

The pioneering Pearson Eco-Business Zone encompasses 12,000 hectares of industrial and commercial land in the municipalities surrounding Toronto Pearson Airport. The area is home to some 12,500 businesses that provide more than 350,000 jobs, making it Canada's single largest employment area. Not surprisingly, those businesses also consume a significant amount of energy, collectively producing about 1.7 million tonnes of greenhouse gas emissions each year.

Faced with the rising financial cost of electricity and fossil fuels – and the broader social and environmental costs of a wasteful carbon footprint – more and more area businesses were seeking sustainable alternatives to the status quo. Representing a diverse range of industries and sectors, they were united by a common interest in pursuing change for the better. Their shared aspirations came together under the banner of Partners in Project Green.

Change Partners

The GTAA has spearheaded this groundbreaking initiative, working in partnership with the Toronto and Region Conservation Authority, the region's four municipal governments and over 200 companies – with more joining every day. In uniting to create this eco-business zone, organizations with similar sustainability goals hope to achieve greater gains more quickly, and with less individual risk, by working together.

Indeed, as its name suggests, Partners in Project Green exemplifies a basic value that is crucial to the success of all sustainable enterprises: partnership. Extending the traditional boundaries of business-to-business cooperation, the project's stakeholders are developing new programs designed to help all partners reduce energy and resource costs, uncover potential business opportunities and address day-to-day operational challenges with greener and more cost-effective solutions.

The success of Partners in Project Green in uniting sustainability efforts has led to a partnership with the Clinton Climate Initiative, launched by the William J. Clinton Foundation to seek new solutions to the problem of climate change. One especially promising avenue for collaboration is the CCI Purchasing Alliance, which works to speed up the adoption of energy-efficient products and technologies by leveraging the collective buying power of large groups of companies – such as those that have joined forces in the Pearson Eco-Business Zone.

Seeing Green

The vision of Partners in Project Green is to help set a new standard for fostering co-operation in an eco-friendly business climate. By pooling ideas and resources, businesses can improve their financial and environmental performance while developing new strategies to attract and retain investment – with results that benefit the entire community.

In the short term, Partners in Project Green is working toward several key objectives:

- Build general awareness and capacity for eco-business development among program partners and throughout the business community.

- Implement green business projects that create triple-bottom-line benefits – social, environmental and economic – for all participants.
- Increase municipal governments' support for eco-economic development on the region's employment lands.

The initial focus is on established sectors such as food processing, plastics, auto parts, logistics and the air transport supply chain. Over the longer term, the eco-business zone aims to become the location of choice for progressive companies with clean-technology operations and a desire to demonstrate eco-conscious business leadership. They will be attracted by the region's existing assets – notably Toronto Pearson – and the proven success of other businesses, as well as the knowledge infrastructure created by a partnership of like-minded organizations.

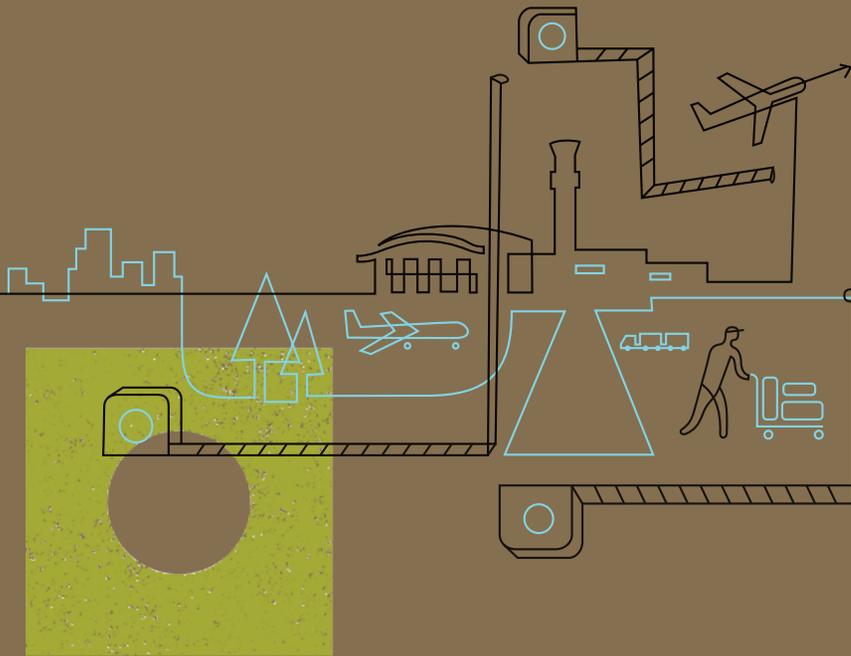
Sustaining Advantage

As sustainable business practices become a competitive necessity, Partners in Project Green is showing companies they can realize their green goals more quickly and affordably by joining forces rather than trying to do it alone. Through regular information sessions, sharing of best practices, eco-focused business assessments and innovative resources such as an online green business directory, the venture is beginning to deliver on its promise. In the months ahead, participants can expect to see still more tangible results, whether in cuts to their monthly electricity bills or the launch of promising new joint ventures.

As we've tried to underline throughout this report, at the GTAA we don't view achieving sustainability as a matter of mere compliance. It's a fundamental corporate responsibility and a business imperative. We take a holistic approach to fulfilling that responsibility and know from experience that its many challenges – human, financial, environmental – can only be managed successfully when we align our efforts with others who share our goals. We look forward to taking that proven approach further into the community, and indeed onto the global stage, as Partners in Project Green charts a new course in eco-business innovation and becomes the Silicon Valley of green technology.

Measuring

PERFORMANCE



The GTAA is a corporation without share capital, recognized as a Canadian airport authority by the federal government. Authorized to operate airports within the Greater Toronto Area (GTA) on a commercial basis, the GTAA currently manages Toronto Pearson International Airport. As set out in our ground lease, our responsibilities are to operate a safe, secure and efficient airport, and to ensure that we provide the necessary facilities and services to serve the air travel needs of the GTA.

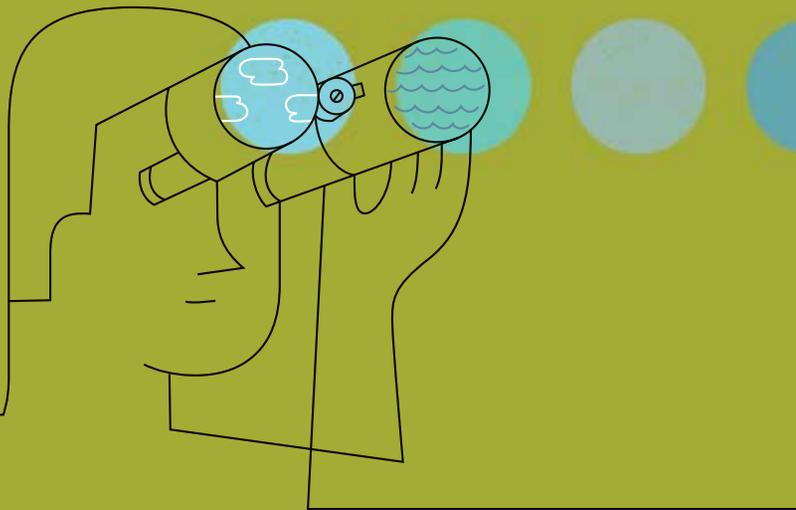
Several years ago, we began measuring the GTAA's sustainability performance. We identified targets through an Environmental Management System (EMS) certified to ISO 14001 standards, and we considered the social and economic aspects of our business. In 2003, we benchmarked our performance in these areas using the international Global Reporting Initiative (GRI) Sustainability Reporting Guidelines.

Against set targets, we measure performance to ensure we are continuously improving in all aspects of our business, from the provision of facilities and services for the travelling public, to new and improved ways of performing day-to-day operations. With a 10-year record of tracking environmental targets and six years of reporting on GRI indicators, it is now appropriate for the GTAA to take the next step. In 2009, we initiated the first phase of a three-year internal audit of the GRI data – detailed on page 79 under Performance Indicators. This will assist us in ensuring a more sustainable Toronto Pearson.

Environmental

PROGRAM TARGETS

ISO 14001 MANAGEMENT SYSTEM



The GTAA has always placed a high priority on environmental responsibility at Toronto Pearson. Following the airport's transfer from the federal government in 1996, we developed and implemented a comprehensive Environmental Management System (EMS). By its nature, the EMS takes into consideration everything the GTAA does that could have an impact on the environment, whether positive or negative, and ensures that actions are taken to reduce and mitigate negative impacts.

In 1999, we began the process to certify our EMS to the ISO 14001 international standard, which requires that the system be subject to an annual external audit by a third party. We are pleased to report that April 2009 marked our tenth year of working with a certified EMS.

Our comprehensive EMS looks at all environmental impacts. As part of the certification process, we set targets annually in several areas of our business and strive for continuous improvement. The following pages detail our 2008 EMS program.

To highlight one example: The management of stormwater contaminants has long been recognized as one of the airport's major environmental achievements. Over the years, the GTAA has made significant investments to complete and update stormwater management plans originally laid out before transfer. More recently, we identified this as an annual target. While there has been much progress to date, we still see room for improvement; therefore this aspect continues to appear as a target.

As a leading airport company, we are proud of our environmental record and will continue to seek new and better ways to mitigate our impact on the environment.

ENVIRONMENTAL PROGRAM

2008 TARGETS

SIGNIFICANT ASPECTS & OBJECTIVES	DUE DATES <i>(year-end, Dec. 31)</i>	TARGETS	ACHIEVED
AIR QUALITY			
Improve air quality at the airport to ensure we meet federal/provincial air quality guidelines.	2008	<ul style="list-style-type: none"> Develop and implement an anti-idling program for all groundside vehicles. 	
	2008	<ul style="list-style-type: none"> Develop and implement an anti-idling program for all airside vehicles. 	
	2008	<ul style="list-style-type: none"> Prepare a greenhouse gas inventory for 1997 and 2007. Determine what changes will have to be made to meet a 25% and 40% reduction by 2020. 	✓
AIRPORT DEVELOPMENT			
Ensure environmental factors are considered and implemented for all new development.	2008	<ul style="list-style-type: none"> Construction and demolition – reuse/recycle 85% of waste (i.e., concrete, metals, wood etc). 	✓
ECOLOGY			
Improve the environment in and around the airport to provide a positive habitat for the interaction between all organisms.	2009	<ul style="list-style-type: none"> Reduce sodium chloride amounts by 3% each year on a per-event basis. 	
	2010	<ul style="list-style-type: none"> Complete aquatic and riparian habitat improvements on Etobicoke and Spring Creeks, as per the master plan. 	
	2010	<ul style="list-style-type: none"> Implement the plan (including designing, building and opening) for a pedestrian/cycle trail along Etobicoke Creek from the 401 to Derry Road. 	
NOISE			
Ensure continuous monitoring of aircraft noise; service public concerns/inquiries regarding noise and continue to influence airlines and air traffic control (NavCan) to minimize noise.	2008	<ul style="list-style-type: none"> Review noise abatement procedures with respect to a balance between noise and air emissions. 	✓
PROPERTY MANAGEMENT			
Ensure environmental considerations are incorporated.	2008	<ul style="list-style-type: none"> To audit 40 tenants annually and enforce the storage of hazardous materials by GTAA tenants. 	✓
	2008	<ul style="list-style-type: none"> Create a working group and develop a draft Green Tenant Policy for non-terminal tenants. 	✓
RESOURCE USE			
Improve energy and water efficiency.	2012	<ul style="list-style-type: none"> To implement energy management initiatives that will collectively reduce electrical power consumption by 10% over the next five years using 2006 records as the base year. 	
	2009	<ul style="list-style-type: none"> Maintain the 2005 water consumption baseline usage at the airport. 	

ENVIRONMENTAL PROGRAM

2008 TARGETS

SIGNIFICANT ASPECTS & OBJECTIVES	DUE DATES <i>(year-end, Dec. 31)</i>	TARGETS	ACHIEVED
RESOURCE USE			
Improve energy and water efficiency.	2008	• Reduce overall gasoline fuel consumption by 5% based on 2007 annual consumption figures.	✓
	2008	• Reduce overall diesel fuel consumption by 3% based on 2007 annual consumption figures.	
	2008	• Improve the average fuel economy rating (measured in litres/100 kilometres) for the GTAA light fleet (gasoline) by 5% using 2006 as the fleet baseline.	
	2010	• Establish baseline data from 2008 and convert 10% of paper and printing practices to those certified environmentally friendly and convert 10% of printed copies of publications to electronic copies.	
SPILLS			
Influence reduction of frequency and severity of spills.	2009	• Develop next generation of “Codes” to allow for data extraction for spills information.	
	2008	• Develop and implement a program to reduce airside liquid hydrocarbon spills by 5%.	
	2008	• Develop and implement a program to reduce lavatory spills by 5%.	
WASTE			
Reduce waste and promote recycling program.	2008	• Maintain a 45% diversion from solid waste for all GTAA facilities.	
	2008	• Capture and recycle 100% of shrink wrap that is purchased by the Logistics Centre.	✓
WATER QUALITY			
Improve storm-water quality at the airport.	2009	• Achieve 0 annual exceedances of federal guidelines for stormwater quality.	
	2009	• Reduce overall airport glycol usage by implementing and expanding upon deicing plans, programs and strategies.	
WILDLIFE CONTROL			
Reduce wildlife strikes and maintain vegetation plan.	2008	• Reduce the number of bird strikes by 5% based on a Five-year average by comparing strike numbers, aircraft movements per 10,000 and number of birds per 10,000.	✓

Performance

INDICATORS

GLOBAL REPORTING INITIATIVE (GRI)



Corporate social responsibility (CSR) is increasingly recognized as an integral component to organizations' pursuit of sustainability. Companies are managing their business activities according to the triple bottom line – the environmental, economic and social indicators identified by the Global Reporting Initiative (GRI) as the key metrics for gauging sustainable corporate practices.

Recognized as a leading airport company for our environmental management system, the GTAA began using the GRI Sustainability Reporting Guidelines in 2003. As the most widely recognized index at the time, the GRI offered common guidelines with defined protocols for benchmarking business activities. Last year we presented our first comprehensive CSR report. As we indicated then, the GTAA is engaged with several airports internationally to develop an Airport Operator Sector Supplement to the GRI. Until that initiative is complete (in 2010–11), we will continue to use the current array of indicators, as we have for the past six years.

The GTAA is ready to move to the next stage of corporate responsibility. To that end, we have started the process of reviewing our CSR reporting methodology. This year we initiated the first phase of a three-year internal audit of all GRI data, including but not limited to the data capture, collation, review and reporting.

The earlier narrative sections of this 2008 CSR report include, as is customary, occasional references to events that occurred as recently as June 2009. The formal report on GRI indicators that follows is based solely on data from the 2008 calendar year (with quantitative comparisons, where applicable, to 2007).

Management Approach

To guide our complex daily operations, the GTAA has adopted a number of management systems. Each is the responsibility of a designated executive, and all systems provide data for this report.

Responsible departments and process owners were identified for each GRI indicator. We then defined and articulated a comprehensive data collection process. In doing so, we found new opportunities for improving our practices for data collection and reporting; we will continue to evolve these practices going forward.

The information previously reported for the 2007 fiscal year has been corrected in the GRI indicator tables included in this report and noted accordingly.

Note 1: HR3 – This indicator specifies the total hours of employee training and the percentage of employees trained at the end of 2008. In the 2007 CSR report, however, we reported only the number of employees. This information has been adjusted in the current report.

Note 2: HR4 – The 2007 report included a statement regarding GTAA policy on this matter; however, subsequent to publication it was found that we did receive one complaint in 2007. This complaint was subsequently withdrawn by the complainant. The 2008 report identifies the correct number.

Note 3: The GTAA has many customers. We are currently in the process of defining our various stakeholder groups and our responsibilities to each of them. We also provide a broad spectrum of services. To the best of our knowledge, there have been no violations with regard to the delivery of those services in 2008. However, we currently have no methodology or single internal process or record-keeping system in place for tracking violations that result in a monetary fine or other punitive measure. Therefore, subsequent to our internal audit, the following indicators have been removed from the 2008 report (although they were reported in the 2007 version):

- **PR1** – In the 2007 report, a statement provided a general but incomplete response.
- **PR2, PR3, PR4, PR7** – In the 2007 report, these were reported as “Does not apply.”
- **PR8, PR9, SO8** – In the 2007 report, these were reported as “0” for the years 2003 through 2007.

Note 4: EN1 – Calculations regarding two materials used to keep runways and taxiways clear of snow and ice – potassium acetate and sodium formate – were initiated in 2008 to track the potential impact on water quality. These items were not calculated in 2007.

Note 5: EN3 AND EN4 – In the 2007 report, data on electrical consumption was incorrectly recorded under EN3. This data has been moved to EN4 in the current report; the EN3 and EN4 data for 2007 have been adjusted accordingly.

Note 6: EN5 – number for 2007 was recalculated.

Note 7: EN21 – Previously reported as “Does not apply,” this has been corrected for 2007 to “not previously reported.” Beginning in 2008, this data is now calculated.

Note 8: EN23 – The definition of *significant spills* was incorrectly applied in our reporting of relevant data for 2007 and previous years. Historically, we have reported every spill; however, our review has determined that *significant* indicates those spills that would cause financial liability. The current report has been adjusted to correctly indicate that there were “0” significant spills in 2007 and again in 2008.

SOCIAL PERFORMANCE

LABOUR INDICATORS

GRI INDEX	INDICATORS	REMARKS/UNITS	2007	2008
EMPLOYMENT				
LA1	Total workforce by employment type, employment contract and region. Permanent, full-time employees.	# of employees	1,201	1,201
LA2	Total number and rate of employee turnover by age group, gender and region.	%	8.3	5.4
LA3	Benefits provided to full-time employees that are not provided to temporary or part-time employees, by major operations.	Permanent, full-time GTAA employees are provided a comprehensive compensation package that includes of group health benefits, paid and unpaid leave, and participation in a Defined Contribution Pension Plan. (Some employees whose employment transferred to the GTAA are grandfathered in a Defined Benefit Pension plan; however, new enrollments are not permitted in this plan.)		
LABOUR/MANAGEMENT RELATIONS				
LA4	Percentage of employees covered by collective bargaining agreements.	%	77.4	76.1
LA5	Minimum notice period(s) regarding significant operational changes, including whether it is specified in collective agreements.	The collective agreements include language pertaining to minimum notice periods regarding significant operational changes, in particular the articles on Layoff/Recall and Technological Change, where a 120-day notice period is provided to the union. At the commencement of this notice period the parties meet to consult prior to the employees ultimately receiving notice pertaining to such operational changes.		

SOCIAL PERFORMANCE

LABOUR INDICATORS

GRI INDEX	INDICATORS	REMARKS/UNITS	2007	2008
OCCUPATIONAL HEALTH AND SAFETY				
LA6	Percentage or total workforce represented in formal joint management-worker health and safety committees that help monitor and advise on occupational health and safety programs.	All GTAA employees are represented by both a Joint Occupational Safety and Health (JOSH) and a Policy Occupational Safety and Health (POSH) Committee. These committees meet regularly to discuss health and safety concerns, review progress and make recommendations to improve health and safety in the workplace, ensuring that the underlying principles of the internal responsibility system are followed at all times.		
LA7	Rates of injury, occupational diseases, lost days and absenteeism, and total number of work-related fatalities by region.			
	No lost-time injuries	Cases	88	80
	Lost-time injuries	Cases	23	30
	Lost-time injury frequency	Injuries/200,000 hours worked	1.80	2.39
	Lost-time injury severity	Hours lost/200,000 hours worked	9.79	8.94
LA8	Education, training, counselling, prevention and risk-control programs in place to assist workforce members, their families or community members regarding serious diseases.	The GTAA provides a confidential counselling and referral service to all employees and their families in order to foster and maintain wellness and productivity. Our Employee Assistance Program is fully funded by the GTAA, administered by an external vendor and is available to employees and their family members 24 hours a day, 365 days per year online or via a toll-free 1-800 number.		
LA9	Health and safety topics covered in formal agreements with trade unions.	Both collective agreements with unionized employee groups affirm that the GTAA has the primary responsibility for ensuring that safe conditions prevail within the workplace and for taking appropriate and effective measures (preventive and corrective) to protect the health and safety of employees. Both the GTAA and the unions jointly declared their intent to develop and maintain a safe workplace and that work practices shall be governed by the Canada Labour Code and Regulations.		

SOCIAL PERFORMANCE

LABOUR INDICATORS

GRI INDEX	INDICATORS	REMARKS/UNITS	2007	2008
TRAINING AND EDUCATION				
LA10	Average hours of training per year per employee by employee category.	Hours	19.7	20.7
LA11	Programs for skills management and lifelong learning that support the continued employability of employees and assist them in managing career endings.	The GTAA provides employees with a wide range of both job-specific and developmental training opportunities, based on training plans that are created for them based on their specific, identified training needs. The GTAA also regularly provides information sessions to employees on a range of topics, including retirement planning.		
LA12	Percentage of employees receiving regular performance and career development reviews.	%	22.6	23.9
DIVERSITY AND EQUAL OPPORTUNITY				
LA13	Composition of governance bodies and breakdown of employees per category according to gender, age group, minority group membership and other indicators of diversity.			
	Women	% of employees	26.2	26.2
	Aboriginal peoples	% of employees	1.4	1.4
	Persons with disabilities	% of employees	1.2	1.2
	Visible minorities	% of employees	16.2	16.6
LA14	Ratio of basic salary of men to women by employee category.	The GTAA embraces its obligations under federal employment equity and human rights legislation. Employee salaries are determined based on the value of the work performed, regardless of the gender of employees.		
	Women (average salary)		\$56,599.83	\$59,723.08
	Men (average salary)		\$65,810.60	\$67,763.11

SOCIAL PERFORMANCE

HUMAN RIGHTS INDICATORS

GRI INDEX	INDICATORS	REMARKS/UNITS	2007	2008
INVESTMENT AND PROCUREMENT PRACTICES				
HR1	Percentage and total number of significant investment agreements that include human rights clauses or that have undergone human rights screening.	Does not apply. The GTAA has no significant investment in other entities.		
HR2	Percentage of significant suppliers and contractors that have undergone screening on human rights and actions taken.	Does not apply. The GTAA does not screen significant suppliers on human rights and actions taken. Virtually all our suppliers are located in Canada and the USA where this is not seen as an issue.		
HR3	Total hours of employee training on policies and procedures concerning aspects of human rights that are relevant to operations, including the percentage of employees trained. (see note 1)			
	Employment equity awareness for managers	Number of hours % of employees trained	0 <i>did not calculate</i>	0 7
	Accessibility and sensitivity	Number of hours % of employees trained	646 <i>did not calculate</i>	33 25
	Harassment awareness	Number of hours % of employees trained	1,095 <i>did not calculate</i>	141 91
	Violence in the workplace	Number of hours % of employees trained	138 <i>did not calculate</i>	315 60
NON-DISCRIMINATION				
HR4	Total number of incidents of discrimination and actions taken. (see note 2)	Number of complaints	1	0
FREEDOM OF ASSOCIATION AND COLLECTIVE BARGAINING				
HR5	Operations identified in which the right to exercise freedom of association and collective bargaining may be at significant risk and actions taken to support these rights.	Freedom of association and collective bargaining by GTAA employees are not at risk. The GTAA is in compliance with all laws protecting these rights, including the Charter of Rights and Freedoms.		
CHILD LABOUR				
HR6	Operations identified as having significant risk for incidents of child labour and measures taken to contribute to the elimination of child labour.	The GTAA does not use or employ child labour in its operations.		

SOCIAL PERFORMANCE

HUMAN RIGHTS INDICATORS

GRI INDEX	INDICATORS	REMARKS/UNITS	2007	2008
FORCED AND COMPULSORY LABOUR				
HR7	Operations identified as having significant risk for incidents of forced or compulsory labour and measures taken to contribute to the elimination of forced or compulsory labour.	The GTAA does not use or employ forced or compulsory labour in its operations.		
SECURITY PRACTICES				
HR8	Percentage of security personnel trained in the organization's policies or procedures concerning aspects of human rights that are relevant to operations.	All full-time employees within our Safety & Security department are required to have a full understanding of the GTAA's human rights policies, procedures and obligations.		
INDIGENOUS RIGHTS				
HR9	Total number of incidents of violations involving rights of indigenous people and actions taken.	Number of complaints	0	0

SOCIAL PERFORMANCE

SOCIETY INDICATORS *(see note 3)*

GRI INDEX	INDICATORS	REMARKS/UNITS	2007	2008
COMMUNITY				
SO1	Nature, scope and effectiveness of any programs and practices that assess and manage the impacts of operations on communities, including entering, operating and exiting.	Under the terms of the Ground Lease with the federal government, the GTAA has established the Community Environment and Noise Advisory Committee as a forum with community representation on matters related to noise and environmental impacts. In addition, a CSR program is currently under development.		

SOCIAL PERFORMANCE

SOCIETY INDICATORS

GRI INDEX	INDICATORS	REMARKS/UNITS	2007	2008
CORRUPTION				
SO2	Percentage and total number of business units analyzed for risks related to corruption.	The GTAA is in compliance with the disclosure controls as defined in the Multilateral Instrument 52-109 – Certificate of Disclosures in issuers’ annual and interim filings.		
SO3	Percentage of employees trained in the organization’s anti-corruption policies and procedures.	All GTAA employees, contracted staff and Board members are required to know, understand and adhere to the GTAA Code of Business Conduct and Ethics. During their orientation, 100% of GTAA staff are required to review the code and sign a statement affirming that they shall conduct themselves in accordance with the Code and to proactively disclose any potential conflicts of interest.		
SO4	Actions taken in response to instances of corruption.	The GTAA has made a confidential, anonymous ethics hotline available to employees, which is administered by an independent third party. Through the CARE program (Confidential, Anonymous, Reporting Employees), employees may report any perceived instances of unethical or illegal business practices.		
PUBLIC POLICY				
SO5	Public policy positions and participation in public policy development and lobbying.	The GTAA actively engages all levels of government regarding issues that have an impact the corporation and the air transportation industry. The GTAA registers its lobbying activities in accordance with federal, provincial and municipal regulations.		
SO6	Total value of financial and in-kind contributions to political parties, politicians and related institutions by country.	Federal (dollars)	0	0
		Provincial (dollars)	15,350	4,650
		Municipal (dollars)	28,419	34,808
		Total (dollars)	43,769	39,458

SOCIAL PERFORMANCE

SOCIETY INDICATORS *(see note 3)*

GRI INDEX	INDICATORS	REMARKS/UNITS	2007	2008
ANTI-COMPETITIVE BEHAVIOUR				
SO7	Total number of legal actions for anti-competitive behaviour, anti-trust and monopoly practices and their outcomes.		none	none

SOCIAL PERFORMANCE

PRODUCT RESPONSIBILITY INDICATORS *(see note 3)*

GRI INDEX	INDICATORS	REMARKS/UNITS	2007	2008
PRODUCT AND SERVICE LABELLING				
PR5	Practices related to customer satisfaction, including results of surveys measuring customer satisfaction.	To gauge an understanding of the effectiveness of its operations, the Airport Authority receives feedback on passenger satisfaction through real-time service-level monitoring of products and services, complaints and comments and other effective tools such as the Airport Service Quality (ASQ) and Passenger Understanding & Analysis (U & A) surveys. (See "Attention Passengers" in the Social section of this report.)		
MARKETING COMMUNICATIONS				
PR6	Programs for adherence to laws, standards and voluntary codes related to marketing communications, including advertising, promotion and sponsorship.	The GTAA adheres to the Code of Advertising Standards, administered by Advertising Standards Canada.		
PR7	Total number of incidents of non-compliance with regulations and voluntary codes concerning marketing communications, including advertising, promotion and sponsorship, by type of outcomes and services.		0	0

ENVIRONMENTAL PERFORMANCE INDICATORS

GRI INDEX	INDICATORS	REMARKS/UNITS	2007	2008
MATERIALS				
EN1	Pesticides – Selective and non-selective	Litres	0	0
	Larvicide – West Nile	Kilograms	0.67	34.62
	Glycol (for winter period 2007–08)	Cubic metres	10,065	10,014.36
	Potassium acetate (quantity purchased for winter period 2007–08)	Litres	see note 4	1,665,400
	Sodium formate (quantity purchased for winter period 2007–08)	Kilograms	see note 4	1,450,000
	Road salt	Tonnes	4,960	5,097
	Paper purchased	Sheets	5,850,000	6,482,500
		Sheets per employee	4,875	5,402
EN2	Percentage of materials used that are recycled input materials.	83% of paper directly purchased has 30% post-consumer content		N/A
ENERGY				
EN3	Direct energy consumption by primary energy source. (see note 5)			
	Natural gas consumption	Cubic metres	60,355,526	54,441,041
	Unleaded fuel consumption	Litres	750,687	626,949
	Diesel fuel consumption	Litres	1,135,295	2,070,600
EN4	Indirect energy consumption by primary source. (see note 5)			
	Total electrical consumption (no exclusions)	Kilowatt hours	290,191,667	282,412,313
EN5	Energy saved due to conservation and efficiency improvements. (see note 6)	Megawatt hours	47,783.59	24,526.42
		Using Association of Energy Engineers' methodology, savings are measured per initiative, for the duration of the payback period, plus two years (or for as long as the initiative requires continuous adjustment).		
EN6	Initiatives to provide energy-efficient or renewable energy-based products and services, and reductions in energy requirements as a result of these initiatives.	The majority of the energy-saving initiatives has taken place in the Terminals, where motion sensors, lighting programs and increased employee awareness have been used to help ensure the most efficient use of energy.		
EN7	Initiatives to reduce indirect energy consumption and reductions achieved.	The GTAA is a member of Smart Commute Mississauga, which offers alternative transportation options to employees such as carpooling. Also works with regional transportation authority (Metrolinx) to improve public transit options to/from the airport.		

ENVIRONMENTAL PERFORMANCE INDICATORS

GRI INDEX	INDICATORS	REMARKS/UNITS	2007	2008
WATER				
EN8	Total water withdrawal by source.	Cubic meters	83,844	122,115
EN9	Water sources significantly affected by withdrawal of water.	The withdrawal of water from Lake Ontario by the GTAA is not significant.		
EN10	Percentage and total volume of water recycled and reused.	While the GTAA does not recycle water waste, treated sanitary effluent is released to source (Lake Ontario).		
BIODIVERSITY				
EN11	Location and size of land owned, leased, managed in or adjacent to protected areas and areas of high biodiversity value outside protected areas.	Toronto Pearson International Airport 27 km northwest of Toronto's central business district Longitude: 79 degrees, 38 minutes west Latitude: 43 degrees, 41 minutes north Elevation: 173.4 metres above sea level Area: 1,792 hectares Approximately 8 km of Etobicoke and Spring creek valleys flow through the west side of the airport. Due to development around the airport and the Greater Toronto Area (GTA) these valleylands are becoming important wildlife linkages and refuges as they are part of the last areas considered somewhat "natural" in the west end of the city.		
EN12	Description of significant impacts of activities, products and services on biodiversity in protected areas and areas of high biodiversity value outside protected areas.	The GTAA has limited development within the valleylands adjacent to the airport and concentrated redevelopment in those areas areas that were historically utilized.		
EN13	Habitats protected or restored.	The GTAA has been working extensively with the Toronto and Region Conservation Authority for the last decade. This ongoing partnership has culminated in the \$3.5 million master plan for creek rehabilitation for both Etobicoke and Spring Creeks.		

ENVIRONMENTAL PERFORMANCE INDICATORS

GRI INDEX	INDICATORS	REMARKS/UNITS	2007	2008
BIODIVERSITY				
EN14	Strategies, current actions and future plans for managing impacts on biodiversity.	The GTAA follows the Canadian Environmental Assessment process for all physical developments.		
EN15	Number of IUCN Red List species and national conservation list species with habitats in areas affected by operations, by level of extinction risk.	There are no listed species on site.		
Other	Wildlife strikes	Number	48	54
EMISSIONS, EFFLUENTS AND WASTE				
EN16	Total direct and indirect greenhouse gas emissions by weight.	The values represented in the table below are for direct sources only and were calculated and reported as required under the mandatory greenhouse gas emissions reporting agreement.		
	Carbon dioxide	Tonnes	12,4848.7	90,954.01
	Methane	Tonnes	8.663	14.134
	Nitrous oxide	Tonnes	3.227	2.280
	Sulphur hexafluoride	Tonnes	N/A	N/A
	HFC	Tonnes	N/A	N/A
	PFC	Tonnes	N/A	N/A
	Total CO ₂ equivalent	Tonnes	12,6031.0	91,957.64
All the calculations for GRI Index EN17–EN19 are based on formulas from Environment Canada for NPRI reporting. Further information on NPRI reporting can be found at http://www.ec.gc.ca/pdb/npri/ .				
EN17	Other relevant indirect greenhouse gas emissions by weight.	Scope 3 emissions are not calculated at this time.		
EN18	Initiatives to reduce greenhouse gas emissions and reductions achieved.	The GTAA is investigating initiatives beginning in 2009.		
EN19	Emissions of ozone-depleting substances by weight.	Reported ODS released are from HVAC equipment.		
	Total ODS released (CFC-11 equivalent)	Tonnes	0.00032	0.006

ENVIRONMENTAL PERFORMANCE

INDICATORS

GRI INDEX	INDICATORS	REMARKS/UNITS	2007	2008
EMISSIONS, EFFLUENTS AND WASTE				
EN20	NOx, SOx and other significant air emissions by type and weight. <i>Does not include mobile sources, which are reported as diesel and unleaded fuel in EN3</i>			
	VOC emissions	Tonnes	3.76	2.68
	NOx emissions	Tonnes	64.15	44.75
	SO2 emissions	Tonnes	3.63	2.55
	CO emissions	Tonnes	156.55	33.52
	Total particulate matter	Tonnes	19.55	17.19
	PM10	Tonnes	19.53	17.19
	PM2.5	Tonnes	7.45	5.12
EN21	Total water discharge by quality and destination. <i>(see note 7)</i>			
	Stormwater facilities to sanitary system	Cubic Metres	<i>not previously reported</i>	230,280
	Central deicing facility to sanitary system	Cubic Metres	<i>not previously reported</i>	122,301
	Terminal 3 stormwater collection to sanitary system	Cubic Metres	<i>not previously reported</i>	27,825
EN22	Total weight of waste by type and disposal method.			
	Total of non-hazardous waste <i>(includes recyclables)</i>	Tonnes	5318.09	5813.24
	Amount of waste sent to landfill	Tonnes	2896.84	3240.06
	Total of recyclable waste	Tonnes	2421.25	2573.18
	Diversion rate	%	46%	44%
	Cans and assorted plastics	Tonnes	264.97	262.58
	Glass	Tonnes	513.00	470.48
	Wood	Tonnes	17.85	22.83
	Metal	Tonnes	59.35	70.47
	Office paper/newspaper	Tonnes	438.83	470.61
	Cardboard	Tonnes	559.00	614.47
	Organics	Tonnes	557.45	647.85
	Sand	Tonnes	10.81	13.90
	Logistics program recyclables	Tonnes	1395.95	1273.90
	Computers/batteries recycled	Tonnes	6.78	20.90
	Total amount of hazardous waste	Litres	136,551	265,212
		Kilograms	9,967	1335
	Total amount of demolition waste	Tonnes	250,478	389,878

ENVIRONMENTAL PERFORMANCE INDICATORS

GRI INDEX	INDICATORS	REMARKS/UNITS	2007	2008
EMISSIONS, EFFLUENTS AND WASTE				
EN22	Amount of demolition waste recycled	Tonnes	248,718	385,917
		% recycled	99.30	98.98
	Total contaminated soil encountered	Tonnes	1,620	3,510
	Total contaminated soil remediated	Tonnes	1,620	3,510
		% remediated	100	100
EN23	Total number and volume of significant spills. <i>(see note 8)</i>	Number	0	0
EN24	Weight of transported, imported, exported or treated waste deemed hazardous under the terms of the Basel Convention Annex I, II, III and VIII and percentage of waste shipped internationally.	The GTAA does not ship hazardous waste across federal borders.		
EN25	Identity, size, protected status and biodiversity value of water bodies and related habitats significantly affected by the reporting organization's discharges of water and runoff.	Pearson Airport naturally drains into Spring, Etobicoke and Mimico Creeks, which are part of the Lake Ontario watershed. They are urban streams with highly developed watersheds and low natural cover and classified as warm water streams.		
PRODUCTS AND SERVICES				
EN26	Initiatives to manage the environmental impacts of products and services, and extent of impact mitigation.	The GTAA is ISO 14001 certified. LEED is used for buildings.		
EN27	Percentage of products sold and their packaging materials that are reclaimed by category.	The GTAA does not produce packaging.		
COMPLIANCE				
EN28	Monetary value of significant fines and total number of non-monetary sanctions for non-compliance with environmental laws and regulations.	The GTAA has never been fined or sanctioned for non-compliance with environmental laws and regulations.		

ENVIRONMENTAL PERFORMANCE INDICATORS

GRI INDEX	INDICATORS	REMARKS/UNITS	2007	2008
TRANSPORT				
EN29	Significant environmental impacts of transporting products and other goods and materials used for the organization's operations and transporting members of workforce.	The information required under this indicator is also reported elsewhere in this table such as, but not limited to, EN3, EN16 and EN22. At this time the GTAA has not calculated Scope 3 GHG emissions, which includes employee travel both to and from the worksite and for work.		
OVERALL				
EN30	Total environmental protection expenditures and investments by type.	The cost of environmental protection and enhancement is built into construction and operations of this airport and cannot be separated out.		

ECONOMIC PERFORMANCE INDICATORS

GRI INDEX	INDICATORS	REMARKS/UNITS	2007	2008
ECONOMIC PERFORMANCE				
EC1	Direct economic value generated and distributed, including revenues, operating costs, employee compensation, donations and other community investments, retained earnings, and payments to capital providers and governments.			
	Total Revenues		1,183,357	1,172,555
	Operating Costs	Thousands dollars	1,227,307	1,218,469
	<i>In the 2008 Annual Report “comparative figures have been reclassified to conform with the current period’s presentation.” Therefore the numbers shown here for 2007 are different than those presented in the 2007 CSR Report.</i>			
	Salaries, wages and benefits	Thousands dollars	107,139	108,571
	<i>Certain comparative figures have been reclassified to conform with the current period’s presentation.</i>			
	Donations (charitable, scholarships, staff donations)	Dollars	55,543	117,877
	Political contributions	Dollars	43,769	39,458
	Ground rent	Thousands dollars	149,474	140,622
	Property taxes (Payments in Lieu of Taxes – PILT)	Thousands dollars	22,691	23,857
EC2	Financial implications and other risks and opportunities for the organization’s activities due to climate change.	The GTAA has identified in its 2008 Annual Information Form that “carbon emissions charges, taxes and restrictions” are some of the potential risk factors that could impact levels of aviation activity and therefore it’s operations and financial results and conditions.		
EC3	Coverage of the organization’s defined benefit plan obligations.	The GTAA maintains both defined benefit pension plans and a defined contribution pension plan for its employees. The pension costs of the defined benefit plans are actuarially determined using the projected benefits method pro-rated on service and best estimate assumptions.		
EC4	Significant financial assistance received from government.	The GTAA does not receive any assistance from any levels of government.		

ECONOMIC PERFORMANCE INDICATORS

GRI INDEX	INDICATORS	REMARKS/UNITS	2007	2008
MARKET PRESENCE				
EC5	Range of ratios of standard entry-level wage compared to local minimum wage at significant locations of operation.	The GTAA operates at only one location: Toronto Pearson. Therefore this indicator does not apply.		
EC6	Policy, practices and proportion of spending on locally based suppliers at significant locations of operation.	Although the GTAA only operates at one location, Toronto Pearson, the GTAA's contracting and purchasing policies and procedures contain a section pertaining to local supplier preference. The GTAA will give preference to purchasing goods and services from Greater Toronto Area local contractors if all factors of cost, quality and service are comparable.		
EC7	Procedures for local hiring and proportion of senior management hired from the local community at significant locations of operation.	The GTAA operates at only one location: Toronto Pearson. Therefore this indicator does not apply.		
INDIRECT ECONOMIC IMPACTS				
EC8	Description and impact of infrastructure investments and services provided primarily for public benefit through commercial, in-kind, or pro bono engagement.	The major infrastructure project for 2008 was the continued construction of the new parking facility. When complete (in 2009) it is expected to house as many as 8,200 parking stalls. The facility will be used for the public, airport staff and car rental companies. Housing the car rental companies in the new garage will reduce the amount of emissions they generate in moving vehicles to and from their off-site vehicle storage locations.		
EC9	Understanding and describing significant indirect economic impacts, including the extent of impacts.	Handling 32.2 million passengers in 430,488 aircraft movements, 185,000 jobs are impacted. This indicates \$4.5 billion dollars in taxes, \$26.4 billion in economic output and \$6.8 billion in income.		

Caution regarding forward looking information

This Corporate Social Responsibility Report (the “Report”) contains certain forward-looking information about the Greater Toronto Airports Authority (“GTAA”). This forward-looking information is based on a variety of assumptions and is subject to risks and uncertainties. There is significant risk that predictions, forecasts, conclusions and projections, which constitute forward-looking information will not prove to be accurate, that the assumptions may not be correct and that actual results may vary from the forward-looking information. The GTAA cautions readers of this Report not to place undue reliance on the forward-looking information as a number of factors could cause actual results, conditions, actions or events to differ materially from the targets, expectations, estimates or intentions expressed in the forward-looking information. The forward-looking information contained in this Report represents expectations as of the date of this Report and is subject to change. Except as required by applicable law, the GTAA disclaims any intention or obligation to update or revise any forward-looking information whether as a result of new information, future events or for any other reason.

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