

Remarks by Deborah Flint, President and CEO, to the virtual Annual Public Meeting of the Greater Toronto Airports Authority, May 6, 2020

Good afternoon, everyone – and thank you, Doug, for the generous introduction. It's such a privilege to be joining the leadership team of one of the world's most admired airports. And it's very good to be back home in Canada.

When I took on my new role in early February, I looked forward to this annual meeting as one of my first opportunities to engage with the GTAA's wider community of stakeholders. And since then, of course, the world has been transformed in ways that none of us could have imagined just a mere three months ago.

The COVID-19 pandemic is having an unprecedented impact – not only on public health, but on social and economic wellbeing worldwide. We're learning more about that impact every day, sometimes hour by hour. But the full extent of the crisis, and its longer-term consequences, remain clouded by uncertainty.

If we could somehow shift this meeting back to the day *before* the outbreak became global, I would of course be reviewing the GTAA's achievements for the last fiscal year... highlighting incredible successes and measures of progress... and looking at what comes next for Toronto Pearson as we pursue our strategic goals

But of course, the pandemic has changed everything. The sharp reduction in air travel has had a significant impact on airlines and all across the aviation industry. The disruption to connectivity further challenges an already hard-hit global economy. And right here in our region, that means lost jobs, reduced productivity and missed or deferred opportunities.

For Toronto Pearson, the steep decline in passenger traffic – we are currently at about four per cent of our usual volume – translates into lower aeronautical and commercial revenues, as well as lower airport improvement fees. We've taken steps to address these financial impacts, reducing our planned 2020 operating costs and capital spending, even closing parts of our facilities. At the same time, the steps we've taken to protect the health of our passengers and employees will also help to restore confidence in air travel as flights resume.

Indicators suggest that the travel and tourism sector will be amongst the slowest to recover. This is where our ongoing dialogue with the Government of Canada is so critical. I want to echo Doug's gratitude to the government, because the reduction in Pearson's 2020 ground lease payments are very significant and important to us. And we hope to see – need to see – similar results for the other short-term relief measures we've proposed.

Across the industry, there are initiatives underway that will accelerate the recovery of a sector that supports hundreds of thousands of jobs and contributes billions of dollars to Canada's GDP.

Our proposals are designed to stabilize and rebuild the entire aviation, travel and tourism ecosystem. And in particular, we've stressed the need to invest in enhanced airport facilities – both during the pandemic and for a post-COVID environment.

There is no better time than now to invest in modernizing Canada's borders – to reflect a new public health reality, and also to embrace technologies that will make international travel safer and more attractive as people venture back into and across the world.

Specifically at Pearson, we need to fast-track the deployment of biometrics, e-gates, CT scanners and other proven solutions that will enhance safety, all while improving passenger flow. As an added

benefit, these investments will maximize the value of our existing assets.

That said, we're also asking for the federal government's support on "shovel-ready" – and shovel-worthy – infrastructure projects designed to accommodate the new realities of physical distancing and address passengers' concerns over areas of congestion in our terminals.

And as we look for ways to offer more to our passengers, we've proposed that Canada join more than 60 other countries that are allowing duty-free shopping in arrivals areas. This has been a proven source of employment and enhanced revenue for both airports and governments in those countries.

Now is the time to drive forward with a shared sense of urgency, as we start doing the work today that will recreate our future.

When the time comes that flight restrictions begin to be lifted, we know the previous flow of passengers won't return overnight. As travellers resume business trips, holidays and visits with family or friends, they'll want to feel reassured that the most advanced standards are in place to protect their health and safety.

Indeed, Toronto Pearson will be amongst the leaders in establishing global standards and practices. In fact, we're already in motion, deploying solutions, testing and modeling – preparing for and driving this changed world.

As the COVID-19 outbreak spread and was declared a pandemic, we were already acting quickly, as an organization that's committed to our passengers and our employees. With guidance from professionals, we implemented and advocated for enhanced safety measures and public health protocols.

We've adapted swiftly to regulatory changes in areas such as security and border control, radically adjusting while ensuring smooth operations for our airlines and other partners – and even more importantly, maintaining the best possible experience for our passengers under the circumstances.

Our agility will help fuel the broader economic recovery, in Southern Ontario and across Canada. We know that restored connectivity means more people back at work... more goods and services delivered... more deals struck and alliances forged... and ultimately more investment in offices, manufacturing plants, logistics hubs and centres of innovation.

What gives us confidence in our capabilities, as we adapt to this new world, is Pearson's legacy of rigorous planning and vigilance – and our ability to execute. From frequent emergency exercises to multi-year risk modeling, we have been and we remain passionate about safety and preparedness.

Our organization is driven by continuous improvement. Having learned a great deal during the SARS and H1N1 outbreaks, we already had a robust pandemic response plan in place when the COVID-19 pandemic was declared. And as a measure of our serious commitment and high expectations, we'd been recognized – along with many of our partners – by the World Health Organization, in its review of pandemic response plans, as having a Gold Level standard of preparedness.

Proven resilience, and the flexibility to adjust to the unexpected – these are what strengthen Pearson's ability to navigate through extreme winter weather events... through traumatic disruptions like 9/11... and through economic crises like the Great Recession of 2008. And they give us confidence that we will adapt and thrive once again on the other side of this current challenge – especially when we have so many others working alongside us.

The annual report we've just posted online is titled *Pearson Partners*. It showcases the many collaborations that make our airport a global leader in passenger experience and operational excellence. And although this partnership theme was in development months ago, it's even more fitting today.

The partnerships that drive our success will be critical as we navigate the immediate challenge of the pandemic and refocus our efforts on Pearson's larger purpose – meeting the needs of our region, Canada and the world.

Before looking at some of those collaborations in more detail, I'd like to share a few perspectives from key Pearson partners – which we've captured in a series of videos integrated into our online report.

Understandably, the hopes and aspirations conveyed in these messages were captured before the impact of COVID-19 was felt globally. And yet each and every Pearson partner shares our desire to collaborate and face the challenges head on. Together, we are truly stronger. Here's a video showing their various points of view.

[VIDEO]

With partners like these, even in a time of crisis – in fact, *especially* in a time of crisis – we can count on the mutual support and shared strength that will keep Toronto Pearson moving forward.

Our most significant business partnerships are with the dozens of airlines that fly in and out of Pearson – starting, of course, with our largest carriers, Air Canada and WestJet.

We collaborate on everything from the development of new routes to improved baggage systems. Together, we support connecting passengers across Canada and around the world who increasingly see Pearson as an ideal gateway to North America – which is why in 2019,

we were once again ranked #2 on the continent for international connectivity.

Our two major airline partners have long worked with us on enhancements to our terminals... on new service offerings... on all we do to deliver a better airport experience.

And as we restore confidence in air travel, we'll be collaborating and reimagining each step of the journey for both passengers and airport workers. The many options we've implemented include:

- Increased cleaning and sanitation throughout our terminals, particularly in washrooms and other high-traffic areas.
- Disinfection of baggage carts, escalator railings, elevator panels, wheelchairs, and security and customs checkpoints.
- Physical distancing signage and floor markings to encourage prevention of overcrowding.
- Removing or blocking some seating in lounges and at food-and-beverage outlets.
- Alternating the availability of check-in counters, kiosks and baggage drop-off points – again, avoiding congestion.
- Metering inbound passengers to ease traffic in customs halls.
- Updating the queuing procedures and processes for ground transportation.
- Encouraging passengers to use online check-in and electronic declaration apps when possible,
- And through all of these initiatives – and so many more to come – maintaining a steady flow of communications to engage, educate and keep passengers informed.

As Doug mentioned, we're exploring new processes and technology solutions together with our agencies. Working with the management teams at the Canada Border Services Agency and U.S. Customs and Border Protection, we're pursuing ideas and innovations to ensure a

travel experience that supports passengers during the pandemic and will continue to meet their needs and expectations thereafter.

We're also analyzing and forecasting how travel patterns will change between Pearson and the hundreds of airports we connect with around the world. We expect to see domestic traffic resume first, followed by a gradual resumption of international flights. City pairs and corridors will open under highly coordinated strategies. And we anticipate further growth in cargo shipments as our hub serves a changing global marketplace.

All of this depends on expanding partnerships. We've been working with Air Canada, WestJet, NAV Canada and other airlines and stakeholders on a tool called collaborative decision making. By sharing data in real time, we're able to better integrate and rapidly adjust our operations. That translates into smoother, more efficient travel through our airport and across national and global networks and skies.

With better integration of data and processes, we facilitate carriers' ability to deliver the consistent, reliable service that passengers count on. And because aircraft spend less time circling in the air or idling on the ground, we also reduce fuel consumption and carbon emissions.

This is another key benefit and requirement of partnerships: together, we advance all the dimensions of sustainability – environmental, social and economic.

For several years, the GTAA has been exploring solutions to extend connectivity across our entire region through enhanced ground transportation networks. We've worked closely with the federal, provincial and municipal governments, as well as Metrolinx and other transportation agencies, and various stakeholder groups.

While the economic impacts of COVID-19 will require all of us to revisit how much and how quickly we can invest in this area, the creation of a

more efficient and sustainable regional transit network remains one of our long-term strategic priorities. Not just to ensure better access to Toronto Pearson, but to unclog roads and connect more people to more opportunities – particularly in the Airport Employment Zone, which supports over 300,000 jobs.

During the past year, we took a closer look at employment *within* the Pearson community by conducting the first-ever workforce study by a Canadian airport. We've gained new insights into the thousands of people who work here, beginning with their sheer diversity in terms of age, gender, education and other factors.

While Pearson workers shared some of their frustrations – such as the need for better transit options – they were generally optimistic about working in an environment they see as stimulating and filled with opportunities.

But we know once again that today, COVID-19 and its fallout have changed everything.

From the onset of the pandemic, we've been consulting regularly with employee groups and employers across Pearson. Last week, we met with the Toronto Airport Workers Council, our partners on the workforce study – just one of many joint initiatives over the past eight years. We reaffirmed our commitment to working together to ensure the continued health and safety of those still working at Pearson, and to tackle the longer-term recovery challenges facing both workers and employers.

Coordinating our efforts within the existing Toronto Pearson Worker Safety Forum, we're looking at further health and safety measures that build on the robust practices already in place. For example, we're piloting the use of Plexiglas barriers at counters and workstations where airport employees interact with each other and the public.

We're also working with employers, airport partners and health agencies to introduce a regular, voluntary report on the incidence of COVID-19 at Toronto Pearson.

We're jointly developing an online resource centre where all workers affected by the pandemic will find job search and skills development support – along with a portal where employers and job seekers can connect as Pearson's workforce needs begin to grow once again.

We're continuing our efforts to promote better public transit connections to the airport, encouraging all workers to commute via transit when possible.

And underlying all of this, we're maintaining clear, open communications – including regular meetings between the GTAA and the Airport Workers Council. As we consider everything from terminal modifications to new commercial opportunities, Toronto Pearson's labour groups will be part of the conversation. Together, we're committed to ensuring that our airport, our workforce and our entire industry recover as quickly as possible and emerge from this crisis stronger than ever.

Right now, our top priority is to get everyone who's been sidelined by the pandemic back to work and once again supporting themselves and the people who depend on them. But as we regain momentum, the workforce study will guide us in helping all employees realize their full potential, thanks to the partnerships we've built with our unions and employers.

And as we look for ways to reactivate and better deploy the wealth of talent at Pearson, it's part of a broader commitment to helping the underemployed – people whose education or skills exceed what's required in their current jobs – which is a problem that extends beyond our airport into neighbouring communities.

It's why, in 2019, we directed one per cent of net revenue to our community investment program, the Propeller Project. By year-end, we'd committed \$1 million in funding to not-for-profits in Toronto, Mississauga and Brampton that help underemployed people pursue fulfilling careers and contribute to overall economic vitality.

This is what a robust, world-class airport can do. We're in business not just to connect Canada to the world, but to create connections right here that fuel prosperity, resilience and sustainable growth. And in the coming months and years, that's going to matter more than ever.

Airports are unique. We adapt and execute daily, and at the same time we plan for years and decades ahead – while prudently managing a wide range of complex risks.

In the case of Toronto Pearson, this focus on the long term has resulted in a solid record of operational excellence and exceptional service. We were ranked #1 in the latest annual Airport Service Quality survey – for the third year in a row – amongst North American airports serving more than 40 million passengers.

Fifty million passengers came through Pearson in 2019, and we will reach that once again. Though even last year, traffic growth was moderate: about two per cent, compared to an average of six per cent for the previous half-dozen years, during a boom economy.

At this point, the pandemic has eclipsed much, from geopolitical tensions and unpredictable trade negotiations to specific challenges in the aviation sector. But those moderating factors simply underline a crucial point about growth: far more important than our total passenger traffic is the value that we deliver to people travelling through our terminals.

As Pearson welcomed nearly a million additional passengers last year, we also created a more engaging airport experience for all, by expanding and enhancing our retail, dining and other services.

A full recovery, as we look ahead, is going to take time – years, not months. And while we are driving forward on all fronts, there are many unknown issues we all may still face with regard to public health practices, economic measures, regulatory change, border and security controls, the adoption of new technologies – and the expectations of air travellers.

We'll be leading, learning and adapting in the days ahead. But that's what we've always done in our industry, and especially at this airport. As a vital part of Canada's infrastructure, Toronto Pearson is built for endurance and longevity. Our strategies are designed to keep us nimble and responsive while delivering the highest standards of safety.

Moving forward, we're committed to maintaining a best-in-class passenger experience by finding the right balance between health measures, intelligent use of technology and solid support for our carriers as they rebuild capacity and reconnect to the world. Because we know the world, however transformed, is waiting to connect with us. And the recovery of air travel globally will stimulate the local recovery of jobs, prosperity and economic growth.

In closing, I'd like to reiterate my thanks to Doug Allingham and the entire Board of Directors, who've provided excellence in governance, along with valuable guidance and insights, in these first important few months. I welcome and know I can count on their continued support and strategic counsel.

I'd also like to warmly thank my predecessor, Howard Eng, whose eight-year legacy created such a solid foundation for the future. I'm grateful for the advice Howard has shared – across the years in our industry, and throughout the transition. I know our achievements going

forward will build on all that he's done to elevate Toronto Pearson on the world stage.

My thanks as well to our executive team, who bring a wealth of talent and experience to delivering on Pearson's strategic priorities.

Thank you to the employees of the GTAA – the people who put those priorities into action, day in and day out – and also the broader community of employees across Pearson's footprint, whose skill, energy and commitment are what make this one of the world's top-ranked airports. They demonstrate every day that we are Pearson Strong – and that our future will be bright again.

My heartfelt thanks to all of our stakeholders – community members, businesspeople, leaders of not-for-profits, representatives throughout all of government – who are helping and driving us as we pursue a bold vision for Toronto Pearson, guided by shared values and a common purpose.

It's in this spirit of partnership that we'll tackle the consequences of a crisis unlike any other, while staying focused on maintaining stewardship and delivering value.

We will remain inspired and we will remain committed... we will persevere... we will solve complex problems... we will care for those who depend on us... and we will emerge stronger to create the next great chapter in Toronto Pearson's story.

Thank you.