



Sustainability Report 2015



PORTS TORONTO

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60 Harbour Street, Toronto, ON M5J 1B7 Canada

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

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Canada



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CONTEXT FOR THIS REPORT

PortsToronto is proud to present this first annual Sustainability Report. We recognize the importance of sustainability and employing environmental best practices throughout our business and operations. With this recognition comes a responsibility to engage in dialogue on opportunities and risks. By publishing this report, we are building on a strong foundation and taking an important step towards more strategic consideration of sustainability moving forward.

This report is structured around three priority focus areas which, taken together, help define what sustainability means to PortsToronto. Specifically:

- Environmental Stewardship
- Community Engagement
- Economic Performance

This initial report is also guided in part by the Global Reporting Initiative (GRI) principles. The GRI has pioneered and developed a comprehensive Sustainability Reporting Framework that is widely used around the world. It includes guidance on economic, environmental, social and governance performance. More than 7,000 organizations from 60 countries use the guidelines to produce their sustainability reports, and GRI is considered a best practice in public disclosure. Although there is still some work to be done in this area, PortsToronto is working to align its reporting on priority-area indicators with GRI as future reports will reflect.

Throughout this report, next steps pertaining to improvements and enhancements will be indicated wherever applicable. In 2016, PortsToronto will strive to implement these improvements and report on progress made in an effort to keep our stakeholders informed and provide regular and transparent reporting on our business in the three areas of environmental stewardship, community engagement and economic performance.



About PortsToronto

The Toronto Port Authority, doing business as PortsToronto, is a government business enterprise that owns and operates Billy Bishop Toronto City Airport, Marine Terminals 51 and 52 within the Port of Toronto, and the Outer Harbour Marina.

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

In addition to moving almost 2.5 million passengers through the airport each year, PortsToronto provides transportation, distribution, storage and container services to businesses at the Port of Toronto and owns and operates one of the largest freshwater marinas in Canada.

Responsible for safety and efficiency of marine navigation in Toronto Harbour, PortsToronto exercises regulatory control and public works services for the area, is responsible for environmental protection in Toronto Harbour, issues permits to recreational boaters and manages the Leslie Street Spit site.

PortsToronto is committed to fostering strong, healthy and sustainable communities and has invested more than \$8 million since 2009 in charitable initiatives and environmental programs that benefit communities along Toronto's waterfront and beyond.

Jurisdiction of PortsToronto within the Port and Harbour of Toronto



Vision

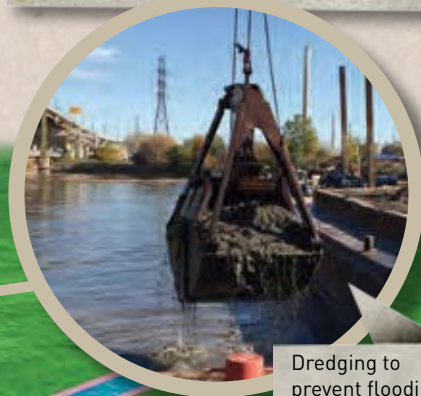
As a steward of Toronto's waterfront resources, PortsToronto works closely with the broader waterfront community to ensure these assets will provide prosperity and enjoyment for future generations.

Mission

PortsToronto's mission is to effectively manage the Billy Bishop Toronto City Airport, Marine Terminals 51 and 52 within the Port of Toronto and the Outer Harbour Marina on a self-sustaining basis, enabling the organization to reinvest funds into transportation infrastructure, marine safety, environmental protection and community programming. Through the successful pursuit of this mission, PortsToronto plays an important city-building role in the economic growth and sustainable future of Toronto.



Toronto Harbour clean-up



Dredging to prevent flooding of Don River



5 Green Anchor Gold Award for environmental best practices



Fish habitat Cell 2 creation



PORTS
TORONTO
60 Harbour
Office

TORONTO INNER
HARBOUR

PORT OF
TORONTO

TORONTO OUTER
HARBOUR

Jurisdiction Limit

LESLIE STREET
SPIT

CELL 1

CELL 2

CELL 3

Keeping it blue by being green





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

PortsToronto operates in accordance with the Canada Marine Act and Letters Patent issued by the federal Minister of Transport in addition to a series of specific bylaws, policies and procedures. The Letters Patent include requirements related to PortsToronto’s board of directors and outlines the activities that can be undertaken by the organization.

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

Senior Management



DEBORAH WILSON
Vice President
Communications
and Public Affairs

CRAIG MANUEL
Vice President and
General Counsel

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

GEOFFREY A. WILSON
Chief Executive Officer

ALAN J. PAUL
Senior Vice President
and Chief Financial
Officer

KEN LUNDY
Vice President of
Infrastructure,
Planning and
Environment

ANGUS ARMSTRONG
Harbour Master and
Chief of Security





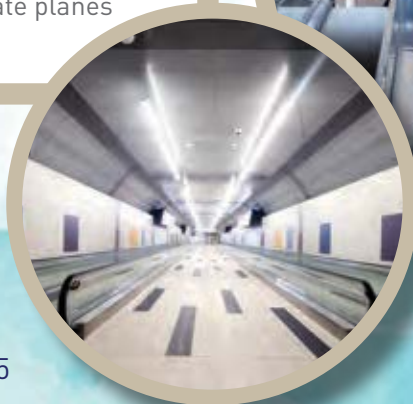
BILLY BISHOP TORONTO CITY AIRPORT

With flights to 24 destinations in Canada and the United States, and connections to more than 80 locations around the world, Billy Bishop Toronto City Airport provides travellers coming into and out of Canada’s largest city with a convenient travel option located a short 2.8 kilometres from Toronto’s downtown core. In 2014, the airport served more than 2.4 million passengers, making it the ninth-busiest airport in Canada and the sixth-busiest Canadian airport serving the United States. This number is expected to be confirmed at 2.5 million in 2015.

The airport, which hosts two award-winning commercial air carriers in Porter Airlines and Air Canada, has gained an excellent reputation throughout the travelling community for its superior customer service, fast processing times, first-class lounge experience and convenient location. This was validated in an August 2014 survey conducted by Ipsos Reid that reported that 97 per cent of travellers say their overall experience at Billy Bishop Airport had been positive.

On July 30, 2015, PortsToronto opened the new pedestrian tunnel connecting the island-based airport to Toronto’s mainland. The tunnel was built through a public-private partnership (P3) model, meaning no taxpayer dollars were spent on the project. A portion of the \$20 Airport Improvement Fee (AIF) paid by departing passengers will pay for the tunnel’s \$82.5-million construction cost. The tunnel allows passengers to walk between the mainland and the airport, 100 feet beneath the surface of Lake Ontario, in less than six minutes, dramatically improving the convenience and efficiency of the airport.

Billy Bishop Airport is also a base for an air ambulance service and is home to a sizable personal/general aviation community that includes approximately 50 private planes and one flight school.





THE PORT OF TORONTO

Serving primarily as a bulk cargo facility, the Port of Toronto boasts a unique location minutes from Toronto’s downtown. The port receives goods from countries as far away as Germany, South Korea, China, Brazil, South America and the United States.

In 2014, the port recorded one of its strongest years in recent history due to both cargo business and cruise ship operations. More than 2 million tonnes of cargo from around the world was delivered directly into the heart of the city in 2014 through the Port of Toronto, marking an eight-year high for marine imports into the city and confirming the port’s position as a vital component of Toronto’s transportation infrastructure and economic performance.

More than 160 ships visited the Port of Toronto in 2014, 34 of which travelled from overseas, resulting in the highest level of imports since 2007 and representing a nearly 35 per cent increase over 2013 tonnages. Stone and aggregate imports saw a more than 105 per cent increase, while salt imports increased nearly 150 per cent. Sugar imports continued to be strong with approximately 545,000 tonnes of sugar being delivered via the port. In 2014, the port reported operating net income from all sources of \$1.2 million, up slightly from the \$1.1 million reported in 2013. Preliminary numbers indicate another strong year for the port in 2015.

In addition to an increase in traditional marine cargo delivered to the port, 13 passenger cruise ships carrying a total of approximately 5,000 passengers visited PortsToronto’s Cruise Ship Terminal in 2015.

OUTER HARBOUR MARINA

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

The OHM is one of the largest freshwater marinas in Ontario, with more than 625 extra-wide slips that can accommodate boats up to 100 feet long—the only docking facility of its kind in Toronto. In addition, the OHM is the only marina in the GTA with heated indoor winter boat storage.

For the fifth year in a row, the Outer Harbour Marina earned a 5 Green Anchor Gold rating from the Ontario Marine Operators’ Association—one of the highest rankings a marina can attain for following environmental best practices.





Message from the Chief Executive Officer

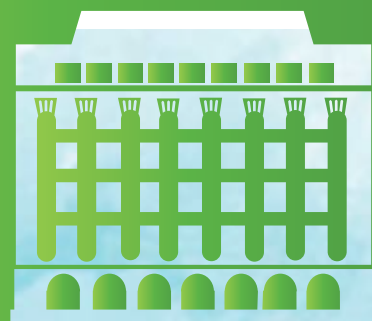
PortsToronto is in the business of providing gateways and making connections. Whether through Billy Bishop Toronto City Airport, which welcomed 2.4 million travellers in 2014, or through the Port of Toronto, which experienced one of its most successful years in 2014, receiving more than 2 million tonnes of cargo on lake freighters and welcoming almost 5,000 passengers aboard cruise ships, PortsToronto is about making the connections that drive the economy and fuel growth.

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

Beyond compliance with existing policies and regulations – environmental protection, strong community engagement and economic performance form the ternion by which PortsToronto measures its success. The economic performance of PortsToronto has never been stronger, with the organization reporting its seventh consecutive year of profitability in 2014 with net income of \$14.9 million. As a financially self-sufficient organization that does not receive public funding, PortsToronto is proud of its ability to achieve and maintain profitability, as this puts us in a position to give back to our community and invest in initiatives, infrastructure and improvements that benefit Toronto and Canada. In fact, since 2009 PortsToronto has invested more than \$8 million in community and environmental initiatives, supporting such organizations as Evergreen Brickworks, Harbourfront Centre, Lake Ontario Waterkeeper and Ireland Park Foundation.

Further, PortsToronto contributed \$2.9 million in Payments in Lieu of Taxes (PILTS) to the City of Toronto and paid \$2.7 million in property taxes in addition to \$2.4 million in Gross Revenue Charges to the Government of Canada in 2014. As a result, in that year alone, PortsToronto generated amounts for governments in excess of \$8 million that could be used to benefit taxpayers in Toronto and across the country.

In addition to supporting community organizations and causes, PortsToronto takes an active role in environmental protection. This includes efforts to keep Toronto's harbour clean through dredging, spill prevention and clean up, and creating green spaces and natural habitat, such as our current project at the Leslie Street Spit to develop a second, nine-hectare wetland habitat for fish, birds and wildlife. PortsToronto also continues to invest in measures that minimize the environmental impact of our operations.





This includes expanding recycling efforts for solid and hazardous material, utilizing hybrid vehicles for maintenance operations and purchasing 100 per cent of our electric power from renewable sources such as wind and hydro through Bullfrog Power. PortsToronto is the only airport and port authority in Canada to choose renewable energy for all of its operations and recently renewed its commitment to do so for an additional three years.

Beyond our environmental endeavours, community engagement is a big part of our goal to conduct our operations in a sustainable manner. As part of our ongoing efforts to reach out to the residents and businesses surrounding Billy Bishop Toronto City Airport, PortsToronto established a Community Liaison Committee (CLC) in 2011. The CLC is designed to provide our neighbours with a forum for discussing issues and concerns related to airport operations. The committee is composed of key members of neighbourhood community groups and stakeholders, including local city councillors, and follows best practices of community engagement, meeting four times a year and exploring matters ranging from managing airport noise to improving transportation access. Meeting minutes are taken by a third-party consultant, Lura Consulting, and posted to the PortsToronto website to keep all members of the community informed and up-to-date.

In this first annual sustainability report we put our organization through its paces—celebrating the areas where we are doing well, but also cataloguing the areas where there is still room for improvement so next steps can be determined and plans can be developed. By looking at our operations through a lens of community and environmental sustainability, and reporting on areas such as noise management, Greenhouse Gas (GHG) emissions, waste management, power usage and safety we can ensure that we are investing in the long-term future of our organization while conducting our business with respect for the community and the environment.

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

Geoffrey A. Wilson
Chief Executive Officer
PortsToronto



An aerial photograph of the Toronto waterfront, showing the city skyline with the CN Tower, the harbor, and a large industrial area in the foreground. The text "Environmental Stewardship" is overlaid in white on a green arrow graphic pointing towards the right.

Environmental Stewardship





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

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

Although we have been operating this way for many years, we have not yet reported on our activities in a consolidated manner. This sustainability report is an attempt to bring together all of the work we are doing so that we can better gauge the impact of our efforts and determine where we can do more.

This section of the report is based on an extensive internal review, expert analysis from The Delphi Group, and feedback from our stakeholders. It sets out a framework for conducting our operations in a sustainable manner, while identifying areas of opportunity for improvement aimed at moving PortsToronto beyond compliance with environmental laws and regulations and toward industry-leading approaches.

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

- I. Protecting Toronto's harbour and increasing biodiversity;
- II. Heightening the energy efficiency of our operations;
- III. Continuing to respect environmental regulations and laws;
- IV. Pursuing environmental and safety excellence in management systems;
- V. Employee health and safety;
- VI. Utilizing sustainable site design and construction; and,
- VII. Reducing waste.

THE DELPHI GROUP

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





I.

PROTECTING TORONTO'S HARBOUR AND INCREASING BIODIVERSITY

Helping to ensure the safety and enjoyment of those who use Toronto's harbour is a key priority for PortsToronto. Ensuring that the unique biodiversity of the waterfront is both preserved and enhanced is an equally important part of our commitment to the environment. PortsToronto is one of several partners, including the City of Toronto, Toronto Region and Conservation Authority and Harbourfront Centre, responsible for keeping the harbour and waterfront clean.

DREDGING AND WETLAND CREATION

Each year, thousands of tonnes of sediment build up in the area where the Don River empties into the Keating Channel. If not removed, this build-up could cause the river to back up and flood, with debris spilling into Toronto's harbour. PortsToronto, in conjunction with the Toronto Region and Conservation Authority (TRCA), provides the important service of removing the sediment in a process called "dredging" which helps to maintain a navigable river depth that allows for the smooth flow of water and ice through the Keating Channel. In 2014, PortsToronto removed approximately 33,000 tonnes of dredged material from the mouth of the Don River. In 2015, we removed 40,000 tonnes of material.

The dredging process involves scooping material from the bottom of the channel using a clam bucket on a crane called a derrick. Once removed from the channel bed, the muddy mixture of debris and sediment is transported by barge to the Leslie Street Spit for proper containment in what is called a "cell" or Confined Disposal Facility (CDF). Each of the cells located at the Spit were designed by PortsToronto to properly and safely contain natural material dredged from the Keating Channel.

In 2007, PortsToronto and TRCA completed the Cell 1 Wetland Creation Project, converting the CDF into a seven-hectare coastal wetland. Cell 1 is now home to marsh birds, including nesting Common Terns, turtles, amphibians, small mammals and native fish. Cell 1 has been

very successful to date with reports of significantly increased fish populations and the return of pike and muskie to the harbour.

With the second cell now at capacity for dredged material, PortsToronto began sealing Cell 2 with a layer of clean fill in December 2014. Once Cell 2 is sealed, TRCA will begin planting native vegetation and wetland features to provide a new habitat for fish and wildlife, and expand the Spit's recreational and natural features enjoyed by Torontonians. The development of Cell 2 into a wetland will take place in several phases and is expected to be complete by winter 2017/2018.

The final cell, Cell 3, continues to be used for dredged materials, with approximately 30 to 40 years of capacity remaining.



HARBOUR CLEAN-UP PROGRAM AND HOTLINE

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



PLANTING A BUTTERFLY GARDEN IN AN EFFORT TO SUPPORT BIODIVERSITY

Each year, monarch butterflies migrate to Mexico for the winter season and return north for the spring and summer. However, last year the number of monarchs that returned reached a record low. This is due, in part, to the loss of plants that are the butterfly's primary food source. In September 2014, as part of its commitment to maintaining biodiversity along Toronto's waterfront, PortsToronto planted a butterfly garden at the Outer Harbour Marina consisting of native plants such as milkweed to encourage the return of the monarchs.

In September 2015, PortsToronto invited students from Kiwanis Boys and Girl Club and Voice Integrative School to help expand the butterfly garden initiative at the Outer Harbour Marina by planting 1,200 seedlings in an effort to help bring back the monarchs. Designed by Evergreen Canada, the new 700-square-foot garden features several species of native plants that provide food and perching areas for monarch butterflies and other pollinators, as well as an avian habitat for the wide variety of birds that use the Leslie Street Spit as a critical stopover point during seasonal migration.





Thank you for your support – a message from the CEO of Evergreen

In 2014, PortsToronto committed to a partnership with Evergreen, a national charity that works to inspire action to green cities. PortsToronto's investment of \$150,000 over three years is being used to help transform 18 of Toronto's downtown school grounds into dynamic, outdoor classrooms where kids can re-connect with and learn about nature and, most importantly, play in the great outdoors.

The first six grantee schools were announced in 2015 and, through financial support and staff volunteers, PortsToronto is working with Evergreen to help bring the project plans of the selected schools to life. The projects that will be supported through PortsToronto's contribution to this program range from removing asphalt and planting native plants and vegetable gardens, to creating stone seating and establishing shade trees to enable outdoor classroom experiences, to a water wall that will teach children about the properties of watersheds in an urban context.

Through PortsToronto's support, Evergreen is providing schools with site consultation and customized green space design proposals, funding to assist with the purchase of landscaping materials, and workshops and tools geared at promoting awareness around the importance of the environment and local watersheds. Project designs are inspired by the natural world, incorporating elements such as trees, rocks, and shade to create a diverse landscape for children to explore.

Evergreen is proud to be partnered with an organization that is so clearly dedicated to supporting the communities in which they work, and we look forward to the continued partnership with PortsToronto and their commitment to support re-connecting children with nature in the downtown core.

Sincerely,

A handwritten signature in black ink that reads "Geoff Cape".

Geoff Cape
CEO, Evergreen



EVERGREEN SCHOOL GROUND GREENING PROGRAM

In 2014, PortsToronto signed a three-year agreement to invest \$150,000 in Evergreen Canada's Children's Program, helping to turn downtown school grounds into dynamic, outdoor classrooms where kids can re-connect with nature and, most important, play in the great outdoors.

In 2015, PortsToronto worked with Evergreen to "green" playground spaces at six waterfront and downtown primary schools: Bruce Junior Public School, St. Paul Catholic School, Holy Family Catholic School, St. Mary Catholic School, The Waterfront School, and Toronto Island Public & Natural Science School. These were the first of 18 schools that will be selected, six schools each year, to receive financial support through the three-year partnership between PortsToronto and Evergreen Canada.

Many of the schools selected for the program are located in high-traffic neighbourhoods in the downtown core where there is a limited ability to connect with nature due to a lack of greenspace. The projects supported through PortsToronto's contribution to this program range from removing asphalt and planting native plants and vegetable gardens, to creating stone seating and establishing shade trees to enable outdoor classroom experiences, to a water wall that will teach children about the properties of water.



Next Steps

- Purchase updated dredging and marine spill response equipment to operate more efficiently and effectively;
- Continue efforts to increase biodiversity through participation in Evergreen Canada's School Ground Greening Program; and,
- Continue to co-ordinate with our partners who share responsibility in the clean-up of Toronto's waterfront to ensure continued timely responses.



A powerful choice

Since 2010, PortsToronto has been a leading supporter of green power in Canada and the organization has recently signed a three year extension of its commitment. To put that in perspective, PortsToronto is among the top ten largest green energy purchasers in Canada with Bullfrog Power and is the largest in that select group to bullfrogpower its entire facilities and operations with clean, pollution-free electricity.

But what does it mean to bullfrogpower a building or an airport or a tunnel? It means that Bullfrog Power's generators put 100 per cent green electricity onto the grid to match the amount of conventional power used across all of PortsToronto's facilities and operations. Across Canada, Bullfrog Power's green electricity comes from a blend of wind and low-impact hydro power sourced from new Canadian renewable energy facilities.

Today, PortsToronto and Billy Bishop Airport are the only port authority and airport in Canada to be bullfrogpowered entirely by renewable electricity across all operations and facilities, including the airport's new 853-foot pedestrian tunnel and connecting buildings. In the newly bullfrogpowered pedestrian tunnel, that power includes the electricity for 42 state-of-the-art LED and LCD features along the tunnel walls. And those moving sidewalks? Yes, they're bullfrogpowered too.

By choosing Bullfrog Power's green electricity, PortsToronto is reducing its environmental impact and supporting the development of new green energy projects in communities across Canada. That's because Bullfrog Power uses our customers' support to help build new, community-based green energy projects—such as solar panels on schools, biogas at the Toronto Zoo and renewable energy projects with First Nations communities.

For Bullfrog Power, one of the most inspiring aspects of our partnership with PortsToronto is how effective the organization has been in getting the word out about the importance of choosing renewable energy. From underground to street level to online, PortsToronto's digital screens, billboards and new website are helping to increase awareness of the benefits of green power.

The decision to both choose clean power and talk about it is a powerful choice that we hope will encourage even more people to bullfrogpower their homes and businesses, moving us closer to our vision of a future powered by 100% clean energy.

Ron Seftel
CEO, Bullfrog Power



II. ENERGY EFFICIENCY AND CLIMATE CHANGE

Minimizing Greenhouse Gas (GHG) emissions is a global necessity. Emissions generated by any operation need to be carefully monitored and reduced where feasible. Under this strategic priority, PortsToronto works to manage emissions and energy use from all of our operations.

baseline of PortsToronto’s emissions for the past three years, a necessary first step to managing energy consumption and GHG emissions and tracking progress over time.

REPORTING ON GREENHOUSE GAS EMISSIONS

In 2014, PortsToronto engaged The Delphi Group to prepare its first corporate GHG Inventory for the years 2013–2015. The inventory process provides a

A GHG inventory must include all direct and indirect GHG emissions related to energy consumption, and may include “other” indirect sources that arise from activities related to PortsToronto’s operations, but are not directly under our control. These emission types are referred to as emission “scopes” and can be viewed on the next page.

PORTS TORONTO **bullfrogpower**

Since joining the bullfrogpowered community in 2010, PortsToronto has displaced more than

11,520 TONNES OF CO₂

The **11,520** tonnes PortsToronto has displaced is equivalent to:

- Taking more than **2,425** cars off the road for a year
- Diverting more than **4,124** tonnes of waste from landfill
- It's the same amount of CO₂ emissions produced by: The consumption of **4,906,934** litres of gas
- It's the same amount of carbon sequestered by: More than **3,820** hectares of forest
- More than **294,912** tree seedlings that have been growing for 10 years

Thanks to the support of Canadian homes and businesses like PortsToronto, Bullfrog Power has been able to support more than

60

COMMUNITY-BASED RENEWABLE ENERGY INITIATIVES ACROSS CANADA.



GHG emission sources and scopes included in PortsToronto's GHG Inventory

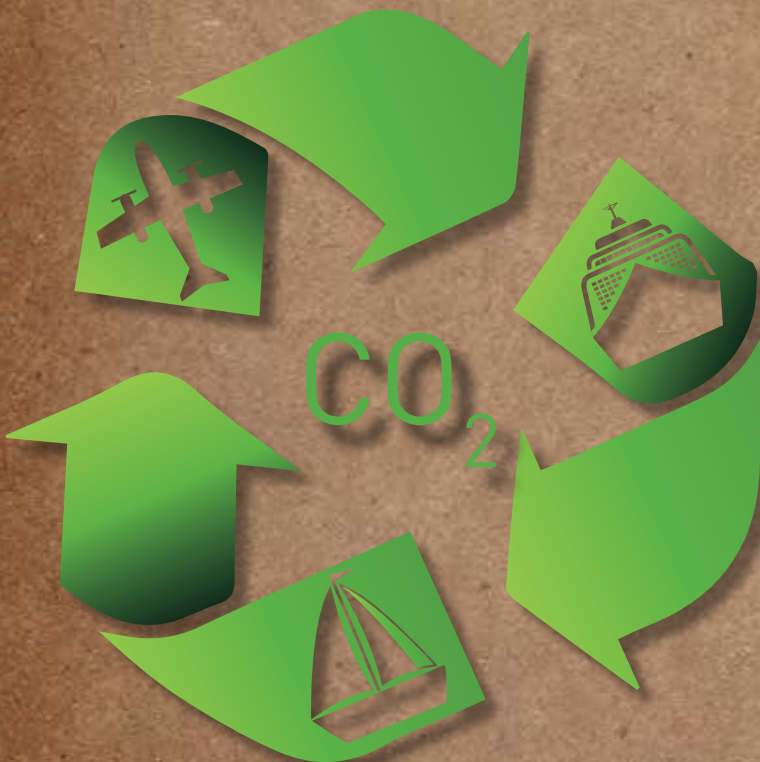
SCOPE 1 "DIRECT"
<ul style="list-style-type: none"> Fleet fuels (diesel, gasoline, propane) Marine fleet fuels (diesel, gasoline) Passenger ferry fuel (diesel) Facility heating fuel (natural gas) Refrigerants
SCOPE 2 "ENERGY INDIRECT"
<ul style="list-style-type: none"> Facility electricity consumption
SCOPE 3 "OTHER INDIRECT"
<ul style="list-style-type: none"> Tenant fleet fuels (diesel, gasoline at Billy Bishop Airport) Tenant facility electricity (mostly at Billy Bishop Airport)

Key findings emerging from this initial GHG Inventory:

- Modest overall emissions:** 2015 GHG emissions from PortsToronto's direct operations (e.g. Scope 1 and 2) were 2,271 tonnes CO₂e.¹ Emissions were 3,248 tonnes CO₂e with tenant emissions included (Scope 1, 2 and 3.) Overall, this is a relatively modest GHG footprint compared to other similar operations.
- Emissions primarily due to natural gas and fuel:** Scope 1 GHG emissions result primarily from heating facilities and the fuel used in vehicles and the airport's passenger ferry. Calculated using globally recognized GHG reporting protocol developed by the World Resources Institute and World Business Council on Sustainable Development, PortsToronto does not have emissions resulting from electricity (Scope 2) due to the use of Bullfrog Power, which is 100 per cent renewable.²
- Gradual emissions increase over time, but decreased in 2015 from 2014:** Scope 1 GHG emissions decreased slightly in 2015 by about 1 per cent. Overall, PortsToronto's emissions gradually increased from 2013 before decreasing slightly in 2015. The increase in emissions is mainly attributable to increased natural gas consumption for facility heating (due to colder winter weather in 2013 and 2014.)
- Strong influence of weather:** PortsToronto's GHG inventory is highly susceptible to changes in weather (particularly in winter) due to the high proportion of facility heating emissions to total emissions. As a result, total GHG emissions are likely to fluctuate on an annual basis.
- High emission reductions due to the use of Bullfrog Power:** PortsToronto's use of Bullfrog Power reduces its GHG emissions by approximately 15 per cent on an annual basis (compared to emissions without the use of Bullfrog Power). PortsToronto's Scope 1 and Scope 2 emissions in 2015 were 2,673 tonnes CO₂e when Bullfrog Power is not considered.

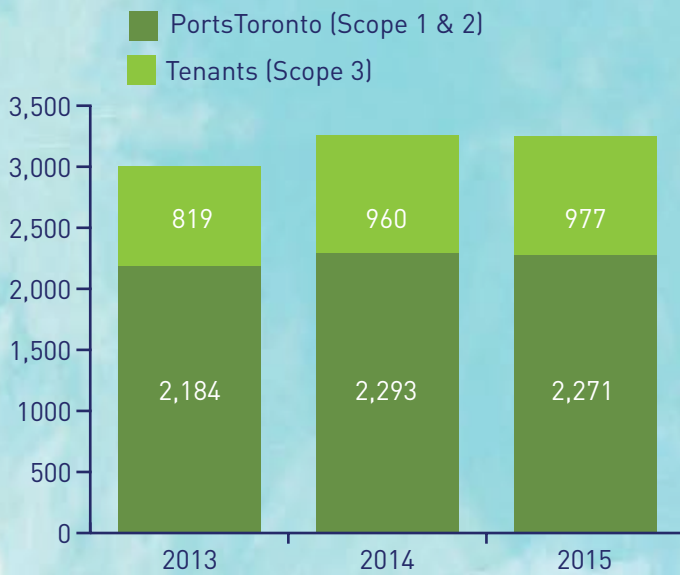
¹PortsToronto's 2015 emissions includes estimate data for the month of December, given complete energy consumption data was not yet available. This will be updated with actual data in the 2016 report. The Delphi Group does not anticipate that this estimate will have a material impact on reported emissions for 2015.

²Accounting for Scope 2 GHG emissions: PortsToronto's Scope 2 GHG emissions are calculated using best practices established by the World Resources Institute and World Business Council on Sustainable Development in their GHG Protocol Scope 2 Guidance: An Amendment to the GHG Protocol Corporate Standard. The Delphi Group used the market-based calculation approach to account for PortsToronto's Scope 2 emissions that arise from the use of purchased electricity, which permits PortsToronto to retain the rights for the environmental attributes associated with the 100 per cent renewable electricity that Bullfrog Power injects into the electricity grid on our behalf. As a result, due to PortsToronto's use of Bullfrog Power electricity produced by EcoLogo[®]-certified wind and low-impact hydro power, there are no GHG emissions associated with PortsToronto's electricity.



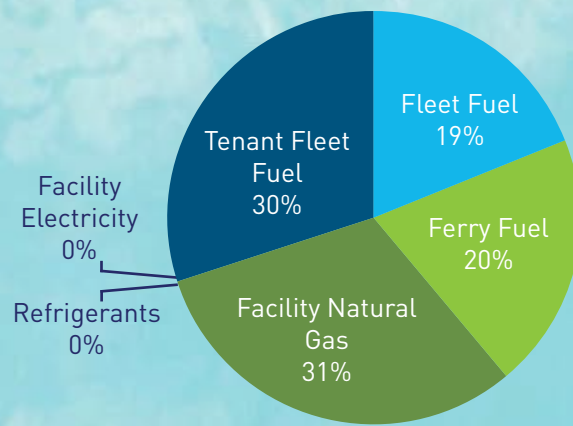


Annual GHG Emissions by Scope for PortsToronto and Tenants

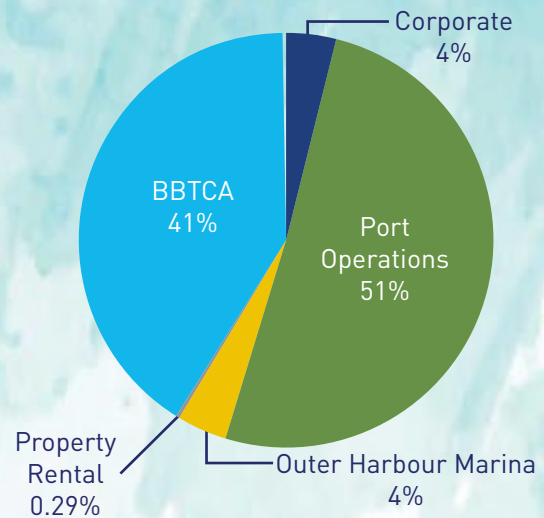


2015 Total GHG Emissions by Major Activity (%)

0% Electricity (due to the use of Bullfrog Power)



2015 Total GHG emissions by Business Unit (PortsToronto's operations only)



*chart does not equal 100 per cent due to rounding.

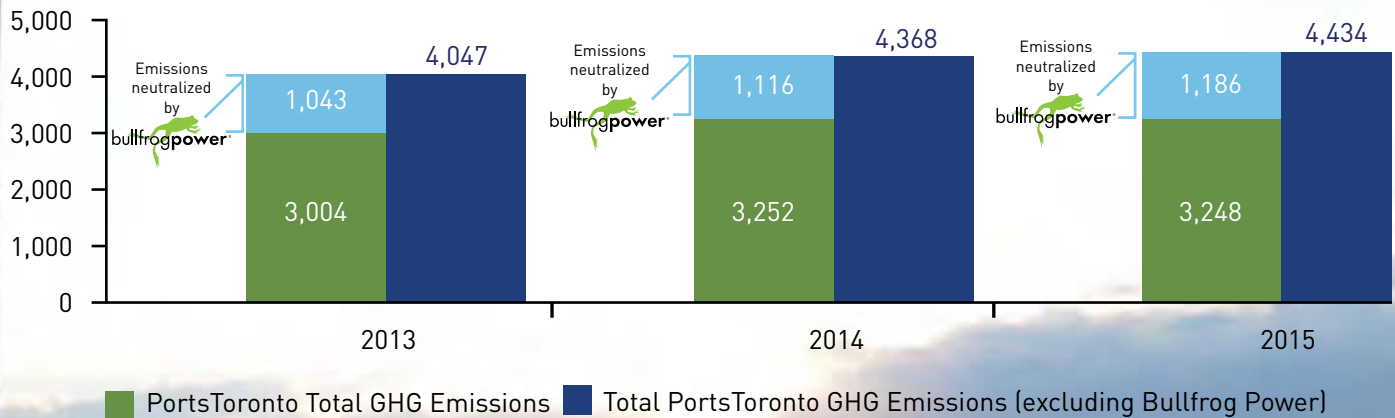


“PortsToronto is among the 10 largest purchasers of green energy in Canada with Bullfrog Power. Since 2010, PortsToronto has reduced its environmental impact and supported the development of new green energy projects across Canada by choosing Bullfrog Power’s green electricity.”

—Ron Seftel, CEO, Bullfrog Power



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





Advancing Environmental Excellence

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

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

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

For example, Port of Toronto increased its results from a level 1 to a level 4 between the reporting years of 2009 and 2015 for the Greenhouse gases (GHG) indicator. For the GHG indicator, it means the port adopted an energy performance plan and a plan for reducing air pollutants, which defines reduction measures and establishes reduction targets.

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

David Bolduc
Executive director



KEEPING VEHICLES OFF TORONTO'S HIGHWAYS

Since 1793, the Port of Toronto has served as Toronto's gateway to the St. Lawrence Seaway and to marine ports around the world. Shipping through the Port of Toronto helps to reduce traffic congestion on Toronto's busy highways and is a more energy-efficient way to transport goods. In fact, one tonne of freight can travel 240 kilometres on a single litre of fuel by ship, whereas it can travel only 30 kilometres on the same amount of fuel by truck. By operating the port and promoting shipping as a more efficient alternative to delivering goods to Toronto, through programs like Highway H2O, we are working to minimize the road traffic and related emissions that result from transporting goods by truck.



Construction materials based at the Port of Toronto's storage and staging areas also travel shorter distances to get to the worksite, cutting down on construction costs, congestion and further reducing unnecessary fuel emissions.

In 2014, the port experienced an eight-year high for marine imports with 2 million tonnes of bulk cargo such as salt, raw sugar and cement being delivered. This cargo brought in by ship would have required 50,000, 40-tonne trucks if road transportation had been used instead.





BILLY BISHOP TORONTO CITY AIRPORT



Hybrid vehicle usage.



PortsToronto chooses 100% renewable energy across all operations, including the Billy Bishop Toronto City Airport.



Double glazed windows in the Airport Atrium to prevent heat loss in winter and heat gain in summer.



Idle-free policy for drop-off area.



High efficiency and LED lights within the new Pedestrian Tunnel, Mainland Pavilion and Atrium. Upgrading to LED lights for the Billy Bishop Airport runway and taxiways.



Biodiesel for all ferry operations and groundside operations.





IMPROVING FLEET EFFICIENCY

The primary objective of any carbon management effort must be, as much as possible, to reduce carbon emissions at the source. To this end, PortsToronto has implemented a number of initiatives aimed at reducing the emissions resulting from the vehicle fleet used to support our business operations, including:

- Phasing out of vessels with two-stroke outboard motors and shifting to cleaner and more efficient four-stroke models;
- Replacing all operational vehicles with hybrid models by 2020, where commercially available;
- Switching to biodiesel for the airport ferry and PortsToronto equipment; and,
- Implementing an anti-idling policy for vehicles on all PortsToronto properties.

Next Steps

- Promote energy conservation through internal campaigns aimed at encouraging energy-use reduction;
- Explore more energy efficient ways to heat Port facilities;
- Continue to increase the efficiency of our vehicle and marine fleets;
- Maintain HVAC (Heating, Ventilation and Air Conditioning) equipment for leak prevention; and,
- Continue to engage with the airport's airlines and tenants to explore ways to cooperatively manage emissions and energy use.



III. RESPECTING ENVIRONMENTAL LAW AND REGULATION

PortsToronto strives to manage all of our operations in a sustainable manner and with minimal environmental impact and, like all ports and airports, is subject to Environment Canada’s environmental regulations and laws.

In 2013, PortsToronto began work with The Delphi Group to conduct an internal review of environmental compliance, as well as associated record keeping and data-management practices.

With regard to compliance, The Delphi Group found no incidents of significant environmental non-compliance and no fines levied against PortsToronto by Environment Canada in 2013, 2014 or 2015. In fact, there have been no incidents of significant environmental non-compliance and no fines levied against PortsToronto by Environment Canada over the past five years. This is a result of PortsToronto’s efforts to follow best practices to achieve our sustainability goals and prevent pollution at the Outer Harbour Marina, Billy Bishop Toronto City Airport and our owned operations at the Port of Toronto.

Next Steps

- Continue to engage and train staff in Standard Operating Procedures to ensure continued compliance with environmental regulations; and,
- Explore the possibility of undertaking internal environmental compliance reviews every two to three years.

METRIC	2013 RESULTS	2014 RESULTS	2015 RESULTS
Fines for instances of environmental regulatory non-compliance (value)	\$0	\$0	\$0
Significant spills (volume and material)	0	0	0

PortsToronto also undertakes regular, detailed environmental compliance audits, with the next audit scheduled to take place in 2016.



IV. PURSUING ENVIRONMENTAL AND SAFETY EXCELLENCE IN MANAGEMENT SYSTEMS

PortsToronto has a long history of environmental stewardship and responsible management. This is achieved, in part, by maintaining and utilizing management practices and Standard Operating Procedures (SOPs) for each function PortsToronto undertakes.

Various products are used by PortsToronto to maintain our equipment and facilities to ensure safe operation. These products are managed and contained in a rigorous manner to ensure safety and the protection of the environment.

For example, designated engine maintenance run-up areas utilize oil separators to collect and manage hydrocarbons. In other operations, such as aircraft fuelling, strict protocols are in place to reduce the risk of spills and in the unlikely event of a spill, PortsToronto's Marine Works and airport's maintenance and fire departments are thoroughly trained in mitigation and clean-up methods to prevent contaminants from entering the natural environment.

Billy Bishop Airport also carefully manages the use, collection and disposal of de-icing and anti-icing chemicals as governed by a Sanitary Discharge Agreement with the City of Toronto, dated December 20, 2013. Application of de-icing and anti-icing chemicals to aircraft is performed only in designated, approved areas of the airport, designed so that overland drainage flows into designated catch basins and underground sewers. Snow clearing from the designated aircraft de-icing area, which may contain de-icing fluid, is directed to an adjacent airfield location that is drained and directed to the sanitary sewer utilizing metered pumps in accordance with the Sanitary Discharge Agreement.

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



DE-ICING AT BILLY BISHOP AIRPORT

PortsToronto manages aircraft de-icing and anti-icing fluids with a dedicated glycol containment system that traps surface runoff and thoroughly contains the glycol from de-icing and anti-icing operations. The airport follows a strict protocol to ensure all chemicals are captured and contained in accordance with the Sanitary Discharge Agreement with the City of Toronto.





Environmental
Stewardship





V. EMPLOYEE HEALTH AND SAFETY

Health and safety goes hand-in-hand with environmental management as key priorities for PortsToronto. The well-being of our employees is directly related to the success of our businesses, and maintaining a strong track record of health and safety performance is critical. Safe practices for PortsToronto's employees and contractors are embedded into the day-to-day operations of our business units, and health and safety policies are implemented at all levels of our organization.

Governance

PortsToronto holds monthly Joint Occupational Health & Safety Committee meetings with representatives from each business unit in attendance. These meetings provide a consistent and constructive forum for communication with employees across our organization on priority health and safety issues and programs.

Health and Safety Management System

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

Tracking Health and Safety Performance

Minimizing workplace injuries is an obvious key component of maintaining a strong track record on health and safety. As such, to address hazards and prevent injuries, PortsToronto continually tracks data related to workplace instances of health and safety compliance, the number and nature of workplace injuries, and total lost days in an effort to create new policies and procedures to eliminate the chance of recurring injuries. In 2014, there were

two lost-time injuries, resulting in a total of nine lost days of work. In 2015 there were six lost-time injuries resulting in a total of 40 lost days of work. No fines were levied against PortsToronto given the nature of the incidents and additional policies and safeguards have been put in place.



MINIMIZING HAZARDS IN THE WORKPLACE

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

An integral component of WHMIS is Material Safety Data (MSD) sheets, which PortsToronto maintains for every chemical used in the workplace. These sheets expire every three years. In 2014, to help ensure that all employees have access to the most up-to-date information, PortsToronto digitized the MSD sheets into an online service that automatically updates expired sheets and provides new chemical information as it becomes available.



CONTINUING EDUCATION AND AWARENESS

Prevention is a key component of reducing workplace injuries and creating healthy work environments. For PortsToronto, this is achieved not only by identifying dangers and eliminating risks, but also through continued training and education initiatives.

Health and safety education is part of every employee's orientation and job description. All staff have access to PortsToronto's health and safety policies and procedures, which cover a wide variety of topics from workplace harassment to electrical safety. For more specialized roles, PortsToronto employs an in-house trainer to educate employees in specific disciplines such as safe fork-lift operation certification and how to operate in confined spaces.

At Billy Bishop Airport, all employees are trained in accordance with Transport Canada regulations. Staff are required to attend courses on Safety Management Systems (SMS) and Human and Organizational Factors, which provide instruction on proactive safety management. Billy Bishop Airport management also hold monthly SMS Committee meetings to discuss issues related to safety and develop corrective/preventive action plans to remedy any issues.

Over and above this training, employees who work airside servicing Billy Bishop Airport's runways and airfield are provided with specialized equipment and vehicle operation training, which they are required to update each year. Each member of the airport's ferry crew also holds Transport Canada

licences for the functions they perform. These licences are renewed on a regular basis to ensure the crews remain efficient and current.

In addition, the airport's fire department does regular internal and external emergency services training throughout the year, including a full-scale simulation every two years, with a full simulation table-top exercise in intervening years. These exercises test the airport's protocols, procedures, communications and planning for emergency and security-related incidents, and ensure that the airport is ready to respond to any situation. All of our emergency response partners, including Toronto Fire, Toronto Police and Toronto Emergency Medical Services, as well as staff and officials from the various security agencies and airlines that operate out of the airport, participate in the training to ensure a fully co-ordinated response to any situation.

Next Steps

- Standardize and centralize data collection and management across business units;
- Streamline reporting and move toward integration of Environment and Health and Safety management systems; and,
- Work to better inform employees about additional health and safety training programs and courses that are available and encourage participation.



EMERGENCY PREPAREDNESS AT BILLY BISHOP AIRPORT

- On-site airport emergency centre and fire hall staffed with more than double the number of emergency personnel required by Transport Canada
- One new mid-size pumper
- One Fire Command vehicle
- Two new airport firefighting trucks
- Two ferries to transport additional emergency vehicles and personnel
- Annual emergency simulations
- Specialized water and ice rescue training
- Fixed-base presence of Ornge Air Ambulance and Paramedics Service at the airport
- Specialized ice boat available for emergency response
- Access to the airport within minutes by water through Toronto Fire Services and the Toronto Police Services Marine Unit
- Tunnel provides additional access for emergency responders



VI. SUSTAINABLE SITE DESIGN AND CONSTRUCTION

In the planning, development and operational phases of any construction activity, PortsToronto and its contractors follow best practices related to sustainability and environmental protection. Over the past two years, PortsToronto has implemented the following initiatives aimed at raising the bar on sustainable construction.

TERMINAL A

Built in 1939, Terminal A is the airport's original terminal and a rare example of early airport terminal construction. A similar building at Malton Airport, now Toronto Pearson International Airport, was torn down in the 1960s. In 2014, PortsToronto reached an agreement in principle with a group of private investors to restore and renovate Terminal A, and open the structure as a public restaurant and event space. In addition, plans include a new dedicated tarmac space for our private pilot community, further demonstrating PortsToronto's commitment to the general aviation community at Billy Bishop Airport.

Terminal A is an important part of Canada's rich aviation history and by restoring it we are proud to be part of giving the building a new lease on life. This rejuvenation is an important demonstration of our commitment to sustainability, bringing together the built environment and social value creation.





BILLY BISHOP TORONTO CITY AIRPORT PEDESTRIAN TUNNEL

One of the largest infrastructure investments made to date by PortsToronto is the new pedestrian tunnel to Billy Bishop Airport. Officially opened on July 30, 2015, the tunnel runs under the lakebed across the Western Channel of Lake Ontario and provides travellers with efficient and convenient access to the airport in less than six minutes.

From the project's inception, the tunnel was designed and constructed with sustainability in mind. The energy efficiency with which the

tunnel operates was assessed as part of the Request for Proposals, and continues to be monitored and reported on under the project agreement. The tunnel's mainland pavilion and island atrium incorporate such "green" features as LED lighting and double-glazed windows to reduce heat loss in winter and heat gain in summer. And, like all PortsToronto facilities, the tunnel is powered by renewable electricity from Bullfrog Power. Most important, the tunnel serves to reduce the airport's impact on the local community, improving traffic and passenger flow and reducing lineups given that passengers can now travel on their own schedules and no longer arrive and depart in groups according to the ferry's schedule.

Next Steps

- Continue to keep sustainability as a key factor in our decision-making as we move forward with future developments, including:
 - The revitalization of Terminal A into a public space; and,
 - 30 Bay Development.





VII. WASTE MANAGEMENT

The responsible management of waste by minimizing its production and maximizing its reuse is another important element of PortsToronto's sustainability plan. Some of the ways in which PortsToronto works to manage waste includes the collection and recycling of all used electronics (computer monitors, printers, smartphones, etc.), batteries, toners and cartridges; the placement of blue bins at all worksites and work stations to encourage recycling and reduce our carbon footprint; the digitization of our communications, making all reports/publications available online so as to reduce the need for print copies; and the banning of plastic water bottles in all our offices.

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

In addition, the Leslie Street Spit, designed and built by PortsToronto, continues to serve as a place for clean surplus fill and rubble from development sites within Toronto to be brought and reused as a base for the construction of parkland.





TURNING AROUND A NEGATIVE FOR THE CIRCULAR ECONOMY: A CASE STUDY

Following the severe flooding of the Don River in June 2014, and as part of our commitment to maintain safety and navigation in the harbour, PortsToronto staff members worked around the clock to clean up and remove approximately 300 tonnes of debris from the waterfront. Special care was taken to remove hazards and make sure the area was once again safe and clean for all to enjoy. Much of the work was very labour-intensive, and done by hand and shovel.

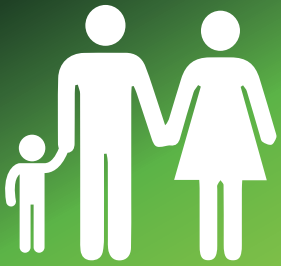
In an example of responsible materials management, PortsToronto saw an opportunity for much of the debris to be reused (a concept sometimes referred to as part of the “circular economy”). After the debris was cleared, it was collected and sorted. Waste was delivered to processing facilities and wood was separated, inspected and processed for recycling. Depending on the quality of the material, the recycled wood was used for animal bedding or particleboard manufacturing, or used in the production of green energy.



Next Steps

- Conduct a review and gather baseline metrics on the ways in which PortsToronto generates and/or reuses waste; and,
- Promote waste reduction through internal campaigns on topics such as becoming paperless and increasing recycling.

Community Engagement



WEBTRAK

In September 2014, PortsToronto launched Webtrak, an Internet-based software service that enables anyone with a computer, smartphone or tablet to gather information on an aircraft they hear flying overhead. Through Webtrak, information can be collected on the aircraft type, altitude, destination and point of departure, empowering people to see and better understand the airport's operations and enabling the Noise Office to better respond to complaints that relate to Billy Bishop Airport operations or direct complaints to the appropriate airport.



Owning and operating an active port, marina and the ninth-busiest airport in Canada in a sustainable manner along Toronto's thriving, mixed-use waterfront is complex and takes a strong commitment to working with the local community to ensure balance. PortsToronto takes great pride in being part of the community in which we operate and in our ongoing interest in investing in, engaging with, and responding to those who live, work and play in the area.

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

- I. Managing and minimizing the noise impact of our operations;
- II. Reducing the airport's environmental and community impact through traffic management;
- III. Establishing and maintaining strong connections with those who live, work and play in the community; and,
- IV. Investing in initiatives that foster strong, healthy and sustainable communities along Toronto's waterfront.

much as possible and in accordance with posted Aircraft Maintenance Run-up Procedures, undertaken only in approved run-up locations and during daytime hours of operation.

Billy Bishop Airport's Noise Management Office, which was significantly enhanced in 2010 with the implementation of a state-of-the-art Aircraft Flight Tracking and Noise Monitoring System, has dedicated staff in place to collect, analyze and respond to noise complaints and monitor daily operations. More than 99 per cent of complaints were responded to within a five-day period in 2014. In addition to reporting on an annual basis, the Noise Management Office also produces a monthly noise report that is posted to the PortsToronto website.

Other noise-reduction initiatives implemented to date include new equipment installed on the airport's ferries to dampen engine noise and a new early-morning start-up procedure to redirect noise away from the mainland. The 2015 Annual Noise Management Report will be issued in June 2016.

I. NOISE MANAGEMENT

Operating an airport that is part of a thriving, mixed-use urban waterfront requires balance to ensure that our operations don't overwhelm the neighbourhood, that an effective balance is struck between commercial and community interests, and that measures are in place to mitigate the airport's impacts.

REPORTING BACK TO THE COMMUNITY

On June 2, 2015, PortsToronto released its Annual Noise Management Report, a compilation of all noise data and complaints submitted to the airport's Noise Management Office over the course of 2014. The noise report confirmed zero violations of Billy Bishop Airport's strict nighttime curfew that prohibits commercial flights from departing or landing between 11:00 p.m. and 6:45 a.m. (Emergency Medevac flights are still permitted to depart/land during these hours as medical emergencies dictate.) The report also indicates a significant 20 per cent decrease in overall complaints, largely attributable to a nearly 45 per cent reduction in engine maintenance run-up noise complaints. This reduction is due to an effort by PortsToronto to work together with commercial air carriers to ensure that engine run-ups were, as

Next Steps

- The construction of infrastructure aimed at reducing the noise impact of the airport on the local community, including the construction of an engine maintenance run-up enclosure by 2016;
- Encouraging passengers to use the airport shuttle, public transit or other forms of transportation to reduce noise and pollution from vehicles; and,
- Continued discussion of noise issues within Community Liaison Committee Meetings.

To learn more about PortsToronto's Noise Management Program, go to PortsToronto.com



II. TRAFFIC MANAGEMENT

Another area of focus for airport operations in terms of responding to community concerns is traffic management. Traffic and congestion at the intersection of Bathurst and Queen's Quay continues to be a concern for the local community. Rapid condominium development combined with other factors, including road construction on Queen's Quay, venues and attractions such as the Rogers Centre, and the growth of the airport have meant increases in the number of cars in the local area.

The City of Toronto recognizes that rapid residential and business development in the area, with no significant improvement in infrastructure, roads and transit, has led to issues of congestion and poor traffic flow. As such, the City of Toronto began work in 2015 on a Bathurst Quay Neighbourhood Plan to study improvements that can be made to ensure that this mixed-use community continues to thrive.

For its part, Billy Bishop Airport continues to encourage its travellers to walk, bike, shuttle or take transit to the airport and has put measures in place to encourage this shift. This includes the addition of a fourth shuttle bus in 2015 to make this option even more convenient.

In April of 2015, Dillon Consulting was engaged by PortsToronto to conduct a modality study to better understand the amount and nature of vehicle traffic that could be attributed to the airport. The study was undertaken during airport peak hours and focused on conditions related to traffic volumes, modal splits and taxi occupancy levels for travel to and from the airport. The study confirmed that more than one-third (37 per cent) of travellers walk, bike or take public transit or the airport's shuttle buses to access Billy Bishop Airport.

The study also reported that private vehicle drop-offs and pick-ups related to the airport had dropped by more than 40 per cent since the last study was completed in 2012. In addition to the increase in the number of people walking, biking and taking transit

to the airport, which grew from 27 per cent in 2012 to 37 per cent in 2015, the survey also confirmed a 10 per cent reduction in the number of passengers departing the airport by taxi and a 47 per cent increase in those departing by the airport's shuttle bus (17 per cent of travellers in 2012 vs. 25 per cent in 2015). Of note, the 40 per cent decrease in private vehicle drop-offs and pick-ups related to the airport occurred despite the fact that overall passenger traffic at Billy Bishop Airport increased from 2.3 million to 2.4 million between 2012 and 2014 and is expected to be confirmed at 2.5 million in 2015.

The study also indicated that, on average, 10-12 per cent of all traffic in the surrounding area can be attributed to Billy Bishop Airport. Specifically, on Lake Shore Blvd. 2-4 per cent of traffic can be attributed to the airport; on Bathurst Street north of Queen's Quay, 30-35 per cent of the traffic is airport related; in the area to the west, including Stadium Road, only 2 per cent of the traffic can be attributed to the airport; and on other routes such as Dan Leckie Way and Queen's Quay to the east, airport traffic comprises approximately 15 per cent of total traffic.

The survey results reflect the measures PortsToronto has implemented over the past three years to achieve our goal of reducing the vehicle traffic associated with the airport, despite the fact that passenger numbers continue to increase. Since 2012, PortsToronto has redesigned the taxi and parking areas; made improvements to the airport's shuttle bus service, including the addition of a fourth shuttle bus; and added bike racks on both the island and mainland side of the airport's property. These measures have had a positive impact on the number of individual cars accessing the airport and encouraged travellers to seek alternatives such as the shuttle or biking. PortsToronto's newly opened pedestrian tunnel at the airport is also anticipated to have additional positive effects on traffic management.



KEY FINDINGS OF TRAFFIC SURVEY FOR BILLY BISHOP AIRPORT



37 PER CENT

of travellers walk, bike or take public transit or the airport's shuttle buses to access Billy Bishop Airport.



10-12 PER CENT

of all traffic in the surrounding area can be attributed to the airport.

SINCE 2012, THERE HAS BEEN A:



10 PER CENT

reduction in the number of passengers departing from the airport by taxi.



47 PER CENT

INCREASE in the number of passengers departing by the airport's shuttle bus.



40 PER CENT

DROP in the number of private vehicle drop-offs and pick-ups related to the airport.





Community
Engagement

HARBOURFRONT COMMUNITY CENTRE
627 QUEENS QUAY W.





III. STAKEHOLDER AND COMMUNITY ENGAGEMENT

PortsToronto has built and maintained positive relationships and a strong connection with its neighbours and stakeholders through open dialogue, transparency, public participation and two-way communication—a critical part of our commitment to sustainability.

PUBLIC OUTREACH AND MEETINGS

As part of our ongoing efforts to connect with the residents and businesses surrounding Billy Bishop Toronto City Airport, PortsToronto established a Community Liaison Committee (CLC) in 2011. The committee is designed to provide our neighbours with a forum for discussing issues and concerns related to airport operations. The CLC is composed of key members of neighbourhood community groups and stakeholders, including local city councillors. The CLC follows best practices of community engagement, meets four times per year and explores matters ranging from managing airport noise to improving transportation access. Meetings are open to the public and meeting minutes are taken by a third-party consultant, Lura Consulting, and posted to the PortsToronto website.

In 2012, PortsToronto and our construction partners also established a Tunnel Construction Committee to provide the community with a forum to provide comment and feedback as construction was completed on Billy Bishop Airport's new pedestrian tunnel.

The PortsToronto website has all 2014 and 2015 Public Outreach meetings minutes and a listing of all 2016 Public Outreach meeting dates.



CONNECTING ONLINE

We're engaging with the public using social media. Social media platforms are used to promote various community and PortsToronto-related events as well as to answer questions and address the concerns of our constituents. PortsToronto also provides daily updates on our website of the news and information that is of interest to our stakeholders and the community. Executive correspondence, news releases, project updates and FAQs are regularly updated to ensure transparency and promote greater awareness of PortsToronto and our activities.

Next Steps

- Redesign our website to make it easier for our stakeholders and members of the community to locate news and information.



Community
Engagement





IV. COMMUNITY INVESTMENT

Sustainable organizations care about the community in which they operate—and PortsToronto is no exception. PortsToronto has a long tradition of working with community members who share our commitment to fostering strong and sustainable communities along Toronto’s waterfront. Each year, PortsToronto provides more than \$500,000 in donations, sponsorships and in-kind contributions to local initiatives, activities and events with the goal of promoting healthier, greener and empowered communities.

In 2015, PortsToronto funded 27 community initiatives and organizations, including the following:

- Toronto 2015 Pan Am/Parapan Am Games
- Evergreen Brickworks School Program
- Redpath Waterfront Festival
- Aloha Toronto (benefitting children with autism)
- Set Sail for Hope (benefitting children living with cancer)
- Toronto Taste (benefitting Second Harvest)
- Nuit Blanche
- Harbourfront Centre
- Beaches International Jazz Festival
- Ireland Park Foundation
- Global Forum
- CivicAction
- Moorelands (benefitting children and youth living in under-served neighbourhoods)
- No. 9 Art Exhibit
- Canadian Art Foundation—School Hop
- Easter Seals Regatta
- Lake Ontario Waterkeeper
- Disabled Sailing Association
- Waterfront BIA Winterfest
- Toronto Brigantine (helping to build character in youth through sail training)
- Pilots N Paws (benefitting animals in need)
- Billy Bishop House Museum
- Emily’s House and Philip Aziz Centre for Hospice Care (supporting adults and children living with life-limiting illnesses)
- Harbourfront Community Centre—Room 13
- The NATO Council of Canada
- Mission to Seafarers
- Canadian Film Centre



Economic Performance





For PortsToronto, being sustainable not only means being environmentally and socially responsible, it means being financially self-sufficient and delivering long-lasting value locally and nationally. To that end, for more than 100 years, PortsToronto has worked with its partners at the federal, provincial and municipal levels to enhance the economic growth of the Greater Toronto Area (GTA) and Canada. Today, Billy Bishop Airport and the Port of Toronto serve as urban transportation hubs for Canadian and international businesses requiring easy, convenient and cost-effective access to the heart of Canada's most populous city and province.

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

- I. Maintaining our financial self-sufficiency;
- II. Continuing our investment in Toronto's waterfront and transportation infrastructure;
- III. Generating revenue for Toronto and Canada;
- IV. Supporting local job creation; and,
- V. Contributing to Toronto's economic growth.

I. FINANCIAL SELF-SUFFICIENCY

As mandated in the Canada Marine Act, PortsToronto, like all port authorities, must remain financially self-sustaining and does not receive public funding from any level of government. The operations and activities of PortsToronto are not funded by taxpayers but rather through revenue generated by PortsToronto's three core business operations—Billy Bishop Airport, the Port of Toronto, and the Outer Harbour Marina—as well as property leasing and licensing.

In 2014, PortsToronto reported its seventh consecutive year of financial profitability with total overall net income of \$14.9 million. Billy Bishop Airport generated revenue of \$39.6 million, including \$18.7 million in Airport Improvement Fees. The Port of Toronto also recorded one of its strongest years in recent history due to increases in both the cargo business and cruise ship operations. More than 2 million tonnes of cargo from around the world were delivered directly into the heart of the city last year through the Port of Toronto, marking an eight-year high for marine imports into the city. The port reported operating net income from all sources of \$1.2 million, a slight increase over the 2013 operating net income of \$1.1 million. The Outer Harbour Marina recorded operating net income of \$1.2 million in 2014 and posted a summer berthing occupancy rate of 95 per cent for both 2014 and 2015. PortsToronto's financial results for 2015 will be released in June 2016.

PortsToronto is proud of our ability to achieve and maintain profitability, which in turn enables us to continue to give back to our community, protect the environment and invest in the infrastructure and services our city needs to remain world-class and a great place to live, work and play.



II.

CITY BUILDING AND INVESTING IN PUBLIC
INFRASTRUCTURE

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

INVESTING IN THE WATERFRONT

Since its inception in 1911, PortsToronto has made strategic investments in Toronto’s waterfront and in developing transportation infrastructure for the city. As the owner and operator of one of Canada’s largest major inland ports and Billy Bishop Toronto City Airport along the waterfront, PortsToronto has reinvested more than \$39 million in waterfront and transportation infrastructure with investments ranging from the replacement of equipment to the maintenance and restoration of our various facilities.

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

THE BILLY BISHOP AIRPORT
PEDESTRIAN TUNNEL

One of the largest infrastructure investments made to date by PortsToronto is the new pedestrian tunnel to Billy Bishop Airport.

Collaborating with the City of Toronto, PortsToronto incorporated new and much-needed municipal water and sewer mains connecting to the Toronto Islands into the construction of the tunnel, saving Toronto taxpayers an estimated \$10 million in duplicate construction costs. The new city water and sewage mains now provide reliable services to the Toronto Islands and replace existing pipes that date back to the 1950s.

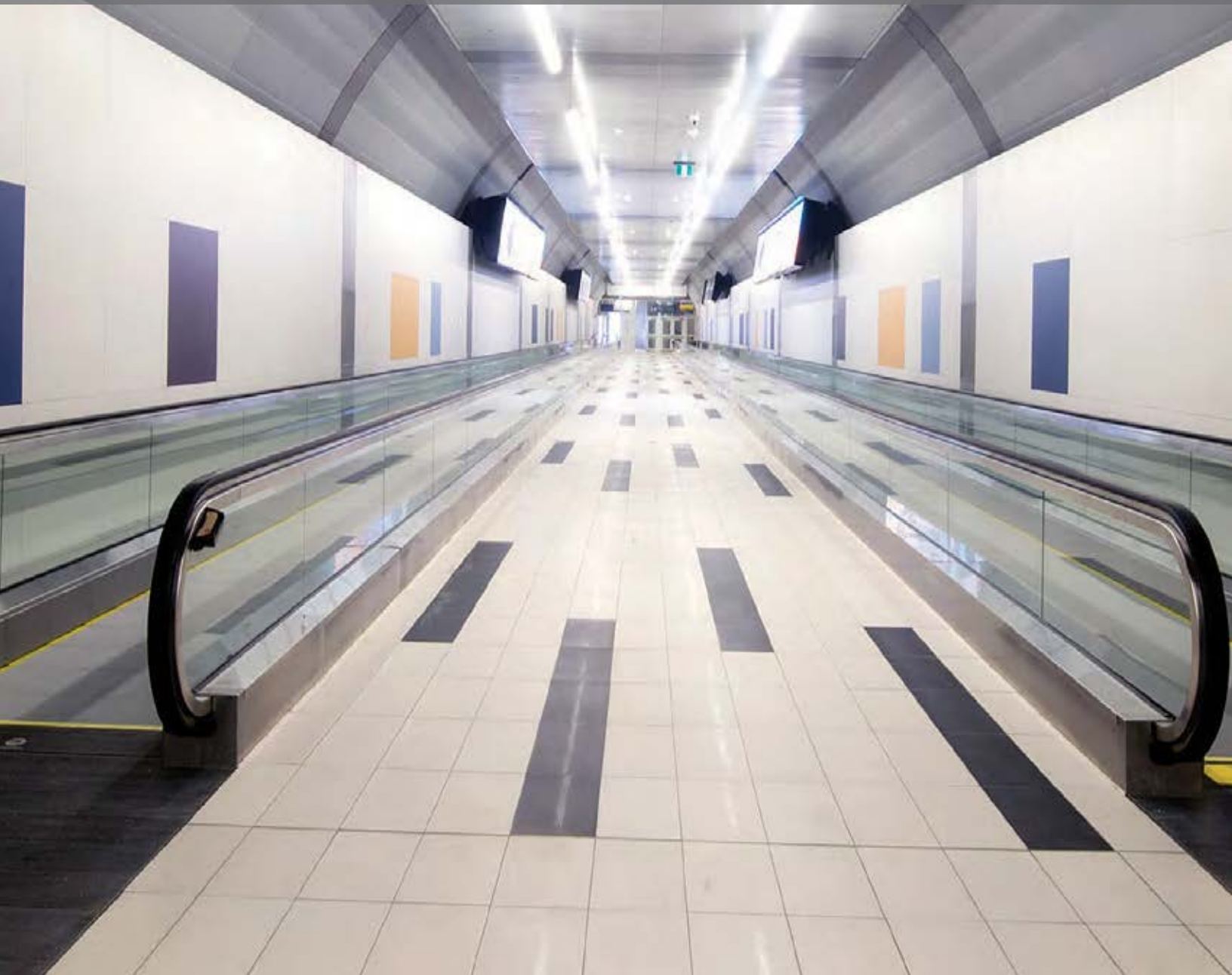
The tunnel was built on a P3 model which in this case ensured the delivery of high-quality infrastructure at no cost to the taxpayer. According to the Canadian Council for Public-Private Partnerships, P3s have generated \$921 billion in total economic output, more than 500,000 full-time-equivalent jobs, and saved taxpayers a total of nearly \$10 billion over the last 10 years.



Economic Performance

“The pedestrian tunnel to the Billy Bishop Toronto City Airport provides residents and visitors alike with the level of customer service and convenience one would expect of a world-class city like Toronto. This piece of infrastructure represents what can happen when the City of Toronto collaborates with our partners like PortsToronto. We were able to co-ordinate construction and incorporate much-needed water main work into this project, saving money and time in duplicate construction and eliminating the need for more construction in later years.”

—Toronto Mayor John Tory





“Toronto continues to rank among the world’s leading cities for economic strength, commercial competitiveness and human capital. Billy Bishop Toronto City Airport not only provides a fast and efficient gateway to the city, it also provides high-quality jobs and boosts Toronto’s GDP.”

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

III. GENERATING REVENUE FOR TORONTO AND CANADA

PortsToronto is a key generator of revenue for Toronto and Canada. In 2014, PortsToronto contributed \$2.9 million in Payments in Lieu of Taxes (PILTs) to the City of Toronto and paid \$2.7 million in property taxes. PILTs are amounts paid by federal government agencies to host municipalities. In addition, PortsToronto paid \$2.4 million in Gross Revenue Charges to the Government of Canada. As a result, in 2014 PortsToronto generated amounts for governments in excess of \$8 million that can be used to benefit taxpayers in its host municipality and across the country.





IV. SUPPORTING LOCAL JOB-CREATION

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

BILLY BISHOP TORONTO CITY AIRPORT

Each year, Billy Bishop Airport welcomes more than 2.4 million business and leisure travellers to the city, providing a significant impact on local job creation, both directly and indirectly. In 2014, PortsToronto updated the InterVISTAS study that was first conducted in 2012 to report on the economic output and impact of the airport on the local economy. According to the study, the airport generated more than 6,500 total jobs—including 1,960 jobs directly associated with the airport—and accounts for \$385 million in wages.

THE PORT OF TORONTO

Canadian ports serve as valuable economic engines with every 1 million tonnes of new cargo moved creating 300 new jobs.¹ The Port of Toronto is among Canada's largest major inland ports and provides a direct link to various major transportation services, including marine, rail and major highways.

Beyond providing sustainable employment for terminal workers and other jobs directly related to the shipping industry, the port supports indirect job creation by providing businesses with a convenient, cost-effective and environmentally responsible way to bring goods into Canada's largest city.

“Among city-centre airports around the world, Billy Bishop Toronto City Airport provides unusually high market connectivity, as well as providing 2,000 on-site jobs with above-average wages. That makes the airport an important driver to the Toronto economy and, by virtue of Toronto’s dominant economic role domestically, the country overall.”

—Dr. Mike Tretheway
Chief Economist & Chief
Strategy Officer, InterVISTAS

1. “Seize the Moment and Maximize our Supply Chain Advantage: Canada’s Port Authorities as Drivers of Jobs, Growth and Trade.” Association of Canadian Port Authorities, Aug. 6, 2014.





V. CONTRIBUTING TO TORONTO'S ECONOMIC GROWTH

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

BILLY BISHOP TORONTO CITY AIRPORT AS A FACILITATOR OF TOURISM AND TRADE

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

According to the InterVISTAS study conducted in 2014, Billy Bishop Airport generates more than \$2.1 billion in total annual economic output and \$695 million in gross domestic product (GDP) with the airport having become a critical facilitator of the growth of trade and tourism between Toronto and North American centres.

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

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

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

In 2014, more than 2 million tonnes of cargo from around the world were delivered directly into the heart of the city through the Port of Toronto, confirming the port's position as a vital component of Toronto's economic performance.

Beyond the traditional marine cargo, the port also generated revenue for Toronto's travel and tourism sectors as 13 cruise ships carrying more than 5,000 passengers visited PortsToronto's Cruise Ship Terminal in 2015—nearly double the number of visits versus 2014.

ECONOMIC IMPACT OF BILLY BISHOP AIRPORT

- \$2.1 billion in annual economic output
- \$695 million in Gross Domestic Product (GDP)
- 6,500 total jobs, 1,960 directly associated with airport
- \$150 million in annual spending attributed to Billy Bishop Airport passengers

Going Forward



GLOBAL REPORTING INITIATIVE (GRI)

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

More than 7,000 organizations from 60 countries use the guidelines to produce their sustainability reports, and GRI is considered a best practice in public disclosure. Moving forward, PortsToronto will aim to align reporting on priority-area indicators from our sustainability strategic priorities with Global Reporting Initiative (GRI) requirements.

Throughout this report, next steps pertaining to improvements and enhancements have been indicated where applicable. In 2016, PortsToronto will endeavour to implement these improvements and will report on progress made in an effort to keep all of our stakeholders informed and provide regular and transparent reporting on our business in the three areas of environmental stewardship, community engagement and economic performance.