

VANCOUVER AIRPORT AUTHORITY
2008 SUSTAINABILITY REPORT

VANCOUVER AIRPORT AUTHORITY
2008 ECONOMIC REPORT

Financial Planning

The soundness of the Airport Authority's financial planning is reflected in our consistently high credit ratings, which are among the best in the world. Both Standard & Poor's and Dominion Bond Rating Service confirmed the Airport Authority's ratings at AA and AA (Low), respectively, in 2008.

The Airport Authority's AA rating is shared with four other airports: Hong Kong International Airport, Los Angeles International Airport, Chicago's O'Hare International Airport and Oklahoma City's Will Rogers World Airport.



TARGET: Maintain a rating of AA minus or better



2008 RESULT: Achieved

Economic Impact

Vancouver International Airport is an important economic generator for B.C. An economic impact study conducted in 2005 found that YVR's 23,800 person-years of direct employment generate \$1.7-billion in direct Gross Domestic Product (GDP) value added. The total GDP (including indirect and induced) related to the airport is \$3.1-billion, and total output is \$6.8-billion. Highlights of the [2005 economic impact study](#) can be found on our website.

Passengers

In 2008, YVR welcomed 17.9 million passengers, representing a 2.29 percent increase over 2007. Visit the [fact and statistics](#) page on our website for detailed passenger, cargo and aircraft take-off and landing numbers.

YVR PASSENGERS (2003-2008)

	2003	2004	2005	2006	2007	2008
Millions of passengers	14.3	15.7	16.4	16.9	17.5	17.9

Key Issues for our Success

To continue to expand YVR as a global gateway, the Airport Authority focuses on key initiatives to achieve success.

Gateway Competitiveness

To remain competitive, we continue to seek ways to remain a low-cost, high-value airport. We advocate for policy changes that include the expansion of international agreements, to ensure that YVR remains a key global player.

Vancouver Airport Authority provides ongoing advocacy for the implementation of the federal government's 2006 Blue Sky International Air Policy. In 2008, the federal government negotiated a more liberal agreement with the European Union and made progress toward an open agreement with Korea. The Airport Authority continues to lobby for further open skies agreements with Asian countries to expand YVR's role as Canada's Asia-Pacific Gateway.

Border and Facilitation: Trusted Traveller Programs and Automated Border Clearance

Providing a smooth and seamless travel process for every passenger visiting YVR supports our gateway competitiveness goals as well as our customer service goals. Working with our business partners, we are nearing completion on Automated Border Clearance - a new process enabling returning Canadian residents to move quickly and easily through the customs hall. The new pilot program will be implemented in early 2009.

Border and Facilitation: International Transit Passengers—Transfer Departure Facility

Enabling international travellers to easily connect with their flights showcases YVR as a top destination for connecting passengers, and results in increased traffic to our airport. To support transiting passengers, a new domestic transfer facility opened in 2008 providing a dedicated area for travellers transferring from an international to a domestic flight.

China: Transit Without Visa and Guangzhou Visa Office

China is a key market for YVR and the province of British Columbia. A pilot program that will allow Chinese nationals travelling from specified Chinese cities to transit through Canada on route to the United States without the need to obtain a Canadian Visa, Transit Without Visa is expected to begin in early 2009. Working with various partners, Vancouver Airport Authority also continues to advocate for a visa office in Guangzhou.

Maintaining Profitability

Keeping our costs low is essential in attracting and maintaining existing business partners. YVR has the lowest landing fees in Canada and we keep them low through our non-aeronautical revenue. In 2008 we opened 10 new retail outlets and saw overall concession sales increase 3.7 percent.

We also expanded land and cargo opportunities in 2008. The Airport Authority continued work on the redevelopment of the Grauer and Russ Baker Way lands. In addition, we approved 20.71 acres of new land leases. We also furthered the YVR cargo gateway strategy by actively pursuing Asian and European cargo and freight partners.

Arrivals Duty Free

Duty free sales are an important source of non-aeronautical revenue and help the Airport Authority keep fees and charges to the airlines low. Allowing the sale of duty free goods upon arrival at Canadian airports would repatriate sales and the accompanying jobs and revenues to Canada, adding convenience for passengers. In our dealings with the federal government, Vancouver Airport Authority continues to advocate on behalf of this initiative along with business partners and other Canadian airports.

The Sustainable Airport

The Airport Authority takes a sustainable approach in all our business planning and measures each decision under the four pillar framework – Economic, Environmental, Governance and Social. With the completion of a detailed 2009-2013 environmental management plan, we continue to improve our programs to reduce emissions, energy consumption and waste.

Audited Consolidated Financial Statements of Vancouver Airport Authority

The financial statements for all operations of Vancouver Airport Authority, including YVR Airport Services Ltd. and YVR Project Management Ltd., are provided in the Audited Consolidated Statements.

Unaudited Non-Consolidated Financial Statements of Vancouver Airport Authority

Financial statements for Vancouver Airport Authority's operations at Vancouver International Airport are provided in the Unaudited Non-Consolidated Statements.

**VANCOUVER AIRPORT AUTHORITY 2008
ENVIRONMENT REPORT**

Environmental Management Plan

The Environmental Management Plan details accountabilities for environmental management initiatives within the Airport Authority; it also describes environmental policies and programs around key sustainability issues overseen by the Airport Authority's Environment Department. Issues addressed by the plan include:

- Aeronautical noise
- Air quality and climate change
- Contaminated sites
- Environmental impact assessment and sustainable building design
- Hazardous materials
- Natural habitat
- Energy and resources
- Waste
- Water quality

In 2008, the plan was reviewed and substantially updated to incorporate strategic priorities for the Airport Authority and associated initiatives we will be implementing from 2009-2013. The five strategic priorities include:

- Reduce emissions
- Reduce energy usage
- Reduce waste generation and enhance recycling
- Implement a communication, awareness, recognition and education program
- Continuous improvement of environmental management

The Airport Authority revised its Environmental Policy by adopting an integrated policy for safety, security and environment. This overarching policy is an important step in formally integrating the management of these critical risk areas.

Federal standards formulate the basis for environmental programs and performance. However, in the interests of responsible environmental management, the Airport Authority works to meet or exceed additional, self-imposed standards, including the adoption of applicable provincial and regional requirements. This means that if provincial, regional or municipal guidelines provide pertinent standards, the Airport Authority will endeavour to meet those standards. The Airport Authority also requires tenants on Sea Island to meet the same standards.

To continually improve our environmental performance, the Airport Authority's environmental management system was developed in accordance with the principles of ISO 14001, the internationally recognized standard that outlines the structures of environmental management systems.

Environmental Advisory Committee

The Environmental Advisory Committee is a group of stakeholders that meets quarterly to provide input on the design and implementation of the Environmental Management Plan at YVR. Committee representatives include:

- Aircraft fuelling operators
- Airlines
- Better Environmentally Sound Transportation (BEST)
- Citizen representatives from Vancouver and Richmond
- City of Richmond (Urban Development Division)
- City of Vancouver (Vancouver Coastal Health Authority)
- Department of Fisheries and Oceans (Habitat Management)
- Environment Canada (Canadian Wildlife Service and Environmental Protection Branch)
- Fraser River Coalition
- Metro Vancouver
- Musqueam Indian Band
- Nature Vancouver
- Port Metro Vancouver
- Transport Canada (Environmental Services)
- Vancouver Airport Authority

In 2008, the Environmental Advisory Committee met five times, including an airside tour of the various construction projects that have been the subject of discussion through the quarterly meetings.

Aeronautical Noise

Noise associated with an airport can be attributed to a number of sources, such as:

- Aircraft take-offs and landings
- Aircraft over-flights of residential neighbourhoods
- Engine run-ups, which are tests performed on aircraft engines and systems after maintenance to ensure they are functioning safely
- Reverse thrust, which is used to slow an aircraft when landing on the runway
- General noise from ground service equipment

The Airport Authority has a comprehensive noise management program that strives to balance the community's desire for safe, convenient, 24-hour air travel with enjoyable urban living.

The noise management program includes a five-year noise management plan, published noise abatement procedures, an airport noise monitoring and flight tracking system, and complaint management and response.

AERONAUTICAL NOISE MANAGEMENT COMMITTEE

The Aeronautical Noise Management Committee consists of community and industry stakeholders and provides a forum for the discussion of aeronautical noise management issues at YVR.

The committee meets quarterly and is chaired by the Airport Authority's Vice President, Community and Environmental Affairs. Members of the committee are appointed independently by their respective stakeholder groups, which include:

- Airlines & Operators
- Aviation Industry Associations
- Citizen representatives from Richmond, Vancouver and Delta

- City of Richmond (Planning)
- City of Surrey
- City of Vancouver (Planning)
- Musqueam Indian Band
- NAV Canada
- Transport Canada
- Vancouver Airport Authority (Environment and Operations Departments)

In 2008, the Aeronautical Noise Management Committee convened four regular meetings to discuss noise management issues at YVR and to update the Noise Management Plan for 2009-2013.

NOISE MANAGEMENT PLAN

The Airport Authority's 2004-2008 Noise Management Plan identified 17 initiatives to guide noise management efforts at the airport through 2008. Initiatives are generally planned as multi-year projects. In 2008, the Airport Authority undertook the following initiatives:

- Completed a comprehensive study of all noise issues and created an online noise survey for the production of the next Five-Year Noise Management Plan (2009-2013).
- Signed an agreement with NAV Canada enabling YVR noise management staff to use flight tracks from our Aircraft Noise Monitoring & Flight Tracking System to improve communications with stakeholder groups.
- Signed a new Memorandum of Understanding (MOU) with Transport Canada that better clarifies roles and responsibilities with regards to enforcement of published noise abatement procedures. This new MOU supersedes a MOU signed in 1994.
- Provided a number of presentations to stakeholder groups such as residents, City staff, Noise Task Forces and aircraft operators to increase understanding and awareness regarding aircraft noise issues at YVR and throughout the Metro Vancouver.
- Identified pilot best practices for float aircraft arriving and departing from the Fraser River and translated that information into education and awareness material, such as signage and tear-away maps for distribution to the operators. These procedures will be published in the Water Aerodrome Supplement in 2009.
- Prepared runway demand profiles for summer 2008 flight schedules, determining when north runway use for departures was necessary to reduce delays.
- Completed preliminary studies necessary as a precursor to the run-up enclosure feasibility study that will be completed in 2009.
- Updated and simplified the engine run-up procedures to improve clarity for both YVR staff and aircraft operators. Provided operators with presentations and information about the importance to surrounding communities of minimizing the impact of noise from engine run-ups to the surrounding communities.

- Presented at the annual YVR Chief Pilots' meeting and awarded the third annual *YVR Fly Quiet Awards* to the airlines with the lowest average annual sound exposure, as measured by the airport noise monitoring and flight tracking system. The 2008 winners included Horizon Air, WestJet and Japan Airlines. This was the second consecutive year that Horizon Air won this award at YVR.

NOISE ABATEMENT

Noise abatement procedures for YVR are published in *Canada Air Pilot* and *Canada Flight Supplement* and are enforceable by Transport Canada. Among the published noise abatement procedures specific to operations at YVR:

- Preferential use of runways to place the noisiest operations over the Strait of Georgia whenever possible
- Restricting times and locations that engine run-ups can be performed
- Requiring prior approval for jet operations between midnight and 7 a.m.
- Normally closing the north runway from 10 p.m. to 7 a.m.
- Restricting the departure of older, noisier jet aircraft during night-time hours

Transport Canada Civil Aviation Enforcement is responsible for investigating suspected violations of published noise abatement procedures and can issue monetary fines. There were no sanctions issued by Transport Canada for non-compliance with published noise abatement procedures at YVR in 2008.

MONITORING AIRCRAFT NOISE

The Airport Authority has a sophisticated aircraft noise monitoring and flight tracking system to collect and assess aircraft noise and determine where and when it occurs.

NOISE MONITORING TERMINALS

Sixteen noise monitoring terminals (NMTs) are located throughout the community. Combined with radar, the system is used to monitor and assess aircraft contribution to community noise levels by correlating the noise created by aircraft in proximity to each NMT.

In 2008, YVR installed and implemented a new noise monitoring and flight tracking system. As part of this project, four additional NMTs will be mounted in different locations around the Lower Mainland: one in Richmond, one in Tsawwassen and one each in North and South Surrey.



COMPLAINT TRACKING

The Airport Authority offers a variety of ways for individuals to register their questions or concerns about airport and aircraft noise including the YVR Noise Information Line (604.207.7097) or via email (noise@yvr.ca). All complaints are treated confidentially and responded to on an individual basis if requested.

2008 YVR-RELATED NOISE COMPLAINTS BY MONTH

Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec
87	86	119	136	133	162	239	92	70	27	61	29

In 2008, the Airport Authority received 1,241 noise complaints, a 101% increase from the 616 received in 2007. Approximately thirty percent of the complaints in 2008 were related to night-time operations, and many of the complaints during the summer months were associated with float plane traffic, ILS flight inspections and north runway use. During the summer months the north runway was used for departures during peak periods to reduce delay; it was also used in June and July when new computer systems were installed on the runways; and during the night-time hours while the south runway underwent annual maintenance in late July and early August.

In 2008, Vancouver residents accounted for 31% of all complaints, while Surrey, South Delta and Richmond residents accounted for 20%, 20% and 18%, respectively. The remaining 11% of

concerns were from residents from North Delta, Burnaby, New Westminister, Coquitlam, and unspecified areas.

In addition to runway aircraft take-offs and landings, aircraft noise is also created by floatplanes and helicopters (non-runway take-offs and landings). In 2008, there were 60,226 non-runway take-offs and landings, approximately 1% more than in 2007.

In 2008, the Airport Authority received 839 complaints as a result of Nav Canada's changes to airspace and arrival procedures in May 2007. These complaints are not included in the statistics referenced above. Of these 839 complaints: 87% were from Surrey residents; 8% from South Delta; and 5% from North Delta and unspecified areas.

In 2008, NAV Canada reviewed their changes, amended and introduced procedures in an attempt to address concerns from residents. NAV Canada found that they have successfully reduced delays, enhanced safety in the busy and complex airspace over the Lower Mainland, and simplified procedures for pilots and air traffic controllers.

The Airport Authority also works with local governments on planning issues to minimize potential non-compatible land uses in high-noise areas. Detailed information on the results of the 2008 Aeronautical Noise Management Program is contained in the [2008 Aeronautical Noise Management Report](#).

Air Quality

The Airport Authority's air quality program addresses airport and airport-related activities that could impact local, regional and global air quality through the production of pollutants, including greenhouse gases or ozone-depleting substances. The program aims to reduce emissions by raising awareness of clean air issues, promoting alternative forms of transportation to and from Sea Island, and working with business partners to increase the use of alternative fuel and low-emission vehicles.

AMBIENT AIR QUALITY

The Airport Authority is a voluntary partner in the Metro Vancouver ambient air quality management program. A Metro Vancouver continuous monitoring station is located at YVR east of the south runway, near the community of Burkeville. Data collected from this station are reported on [Metro Vancouver's website](#).

Emission inventories indicate how air pollutant emissions are changing in the Lower Fraser Valley and are published every five years by Metro Vancouver. The 2005 Lower Fraser Valley Air Emissions Inventory, published in December 2007, found that aircraft emissions account for about 1.1% of greenhouse gas emissions and 1.1% of smog-forming pollutants in the Lower Fraser Valley air shed.

In 2008, the Airport Authority completed its own emissions inventory for the 2007 calendar year in order to systematically approach emissions reductions and establish targets. This inventory looked at emissions from both the Airport Authority and our business partners.

REDUCING SINGLE-OCCUPANCY VEHICLE USE

The 2005 Lower Fraser Valley emission inventory found that light-duty vehicles were still the largest source of smog-forming pollutants. Reducing vehicle emissions from travel to, from and within Sea Island is a key goal of the Airport Authority's air quality program.

In 2008, the Airport Authority developed a short to medium term sustainable ground access strategy, looking at ground access to YVR from an integrated economic, environmental, social and governance perspective. This strategy strives to educate and encourage the use of higher capacity, higher occupancy, lower-emission vehicles; build safe, secure, smart and green networks; and encourage land-use changes and technologies to minimize the number and length of trips. Our priority in 2009 is to maximize the number of opportunities arising from the opening of the Canada Line by undertaking a number of initiatives that will increase efficiency and reduce emissions.

Participation in the Airport Authority's Green Commuter Rebate Program, first launched in 2006, continues to grow. Providing financial incentive to Airport Authority employees who commute by means other than a single-occupancy vehicle, the program had 123 participants in 2008. The program has reduced the amount of single-occupant vehicle trips by more than 715,795 kilometers, reducing more than 112,000 kilograms of carbon dioxide emissions.

Each year the Airport Authority supports the Government of Canada's Commuter Challenge as part of national Environment Week. In 2008, the Commuter Challenge had 107 participants using alternative forms of transportation to commute a total of 4,418 km in one day – collectively preventing 5,243 kg of greenhouse gases entering into the atmosphere.

This year's 2008 Environment Week events were completed with record participation from Airport Authority employees highlighting the benefits of local foods at the *Living Local* showcase and cook-off.

REDUCING VEHICLE EMISSIONS

The Airport Authority also works to improve air quality through the promotion of alternative fuels and technologies such as hybrid-electric, natural gas, biodiesel and hydrogen.

YVR uses a 5% biodiesel blend for all diesel vehicles and equipment. Biodiesel is a renewable resource, non-toxic, biodegradable, and produces lower net carbon dioxide emissions than petroleum diesel. The fuel is produced from present day plants or waste products that have absorbed 'recent' carbon dioxide from the atmosphere.

In 2008, 19 vehicles were retired from YVR's fleet and 17 new vehicles were added to replace them, including one electric and four hybrid-electric vehicles. By replacing older, larger vehicles with appropriately sized fuel-efficient models, the new light-duty vehicles are, on average, 38% more fuel efficient than the vehicles they replaced.

Since 2004, the Vancouver Airport Authority has offered a significant annual discount on licensing fees to taxi operators at YVR who operate low emission taxicabs. In 2008, 165 of the 525 taxis in the fleet serving YVR had taken advantage of the incentive rebate program. Since March 2004, the proportion of hybrid-electric taxicabs relative to the total number of taxicabs licensed at YVR has increased 2,000% while the fleet's average fuel economy has improved 48.7%. This translates to a reduction of approximately 8,764 tonnes CO₂ per year over the entire fleet; or equivalent to taking 257 taxicabs or 1,734 passenger vehicles off the road. In

recognition that newer vehicles are more fuel efficient, the program has now been expanded to reward new vehicle purchasers.

POLLUTANT RELEASES

The Airport Authority tracks various pollutants as part of the National Pollutant Release Inventory (NPRI), a nation-wide, publicly accessible inventory of information on annual releases to air, water, land, and disposal or recycling from all sectors - industrial, government, commercial and others. This report is due each year in June.

The Airport Authority submitted a report to the NPRI in 2008 (for the emission period of 2007) and four substances exceeded the thresholds for reporting. The Airport Authority submitted four reports for the 2007 reporting year: Asbestos, PM2.5, PM10, and Total Particulate Matter (TPM).

An additional reporting requirement for road dust was added to the NPRI in 2007. Though our emissions from **point sources** for PM2.5, PM10, and TPM decreased in 2007, we were required to submit reports due to the inclusion of road dust. Wildlife vehicles patrolling along the perimeter road system are the most significant source of road dust at YVR.

Metro Vancouver's 2005 [Emission Inventory](#) estimated road dust emissions to be approximately 27,000 tonnes TPM, including 5,200 tonnes PM10 and 700 tonnes PM2.5. The Airport Authority's contribution would be approximately 0.5% of the regional total for TPM.

Pollutants	Threshold for reporting	Releases (tonnes)				
		2005	2006	2007 (without road dust)	2007	2008
Total Particulate Matter (TPM)	20	0.377	0.335	0.251	146.742	2008 NPRI data will be filed in June, 2009
Particulate Matter 10 microns (PM10)	0.5	0.377	0.335	0.251	42.726	
Particulate Matter 2.5 microns (PM2.5)	0.3	0.377	0.335	0.251	4.440	
Volatile Organic Compounds (VOC)	10	8.453	8.031	6.453	6.453	
Oxides of Nitrogen (NOX)	20	7.054	6.771	6.311	6.311	
Sulphur Dioxide (SO2)	20	0.318	0.567*	0.181	0.181	
Carbon Monoxide (CO)	20	3.349	3.637	4.272	4.272	
Asbestos	10	23.430	29.376	26.597	26.597	

* elevated SO2 levels in 2006 resulted from a Terasen Gas restriction of natural gas supply for a 48-hour period leading to a switch to diesel fuel for terminal boilers

Contaminated Sites

Transport Canada is responsible for contaminated sites on Sea Island that existed prior to the 1992 transfer of YVR to the Airport Authority. The Airport Authority works with Transport Canada to ensure all contaminated sites are managed in accordance with the Treasury's Board's Federal Contaminated Sites Management Policy.

In 2008, two new contaminated sites were identified. Both sites were the result of historical activities and were encountered during airport construction activities. These sites will continue to be monitored to determine if any remedial actions will be required.

Environmental Impact Assessment and Sustainable Building Design

To integrate environmental management measures into planning, design, construction and operation of all new projects at YVR, all airport facility permits are subject to an environmental review under the Airport Authority's Environmental Impact Assessment Program.

In addition to considering environmental aspects of new projects, the review process considers any potential archaeological, cultural or historical impacts. Guidelines and mitigation efforts are developed for projects to ensure compliance with regulatory and airport standards.

Large projects and those that are environmentally sensitive are monitored regularly by Environment staff to ensure mitigation efforts are implemented as planned and all standards are met.

In 2008, 100% of airport construction projects underwent an environmental review.



2008 RESULT: 100%



2009 TARGET: 100% of facility permits reviewed by Environment Department

BUILDING GREENER

The Airport Authority employs sustainable building design and construction practices wherever possible. Sustainable design guidelines are being developed and updated and are used for new projects to ensure all new facilities incorporate energy efficiency, water efficiency and environmental management measures.

Our design and construction process utilizes energy modeling tools and a Green Building consultant to ensure new buildings are constructed to operate at optimal energy efficiency. Construction and demolition wastes are reused or recycled whenever possible. In 2008, more than 30,000 tonnes of concrete from construction demolition was broken up and reused onsite as structural base material for new buildings and apron construction. The Airport Authority planted more than 5,000 new trees on Sea Island as part of its ongoing landscaping plan.

Hazardous Materials

The Airport Authority, airlines, fuellers, car rental companies, couriers, maintenance shops, construction companies and a number of other tenants located on Sea Island use hazardous chemical products in their operations. In addition, hazardous materials are produced as waste products of some airport-related operations.

Chemical products and wastes considered hazardous materials may include:

- Flammable liquids (aviation fuel, jet fuel, solvent, paint)
- Compressed gases (propane, natural gas, nitrogen, oxygen)
- Corrosives (batteries, battery acid, sodium hypochlorite)
- Poisonous or infectious chemicals (medical samples, syringes)
- Others (PCBs, waste oil, and asbestos)

The Airport Authority has designated areas where hazardous materials can be stored. All wastes are inventoried and labeled prior to being shipped offsite for disposal or recycling. The Health and Safety and Environment Departments work closely to ensure that hazardous materials are handled in a safe and environmentally responsible manner as well as minimizing the amount and variety of hazardous materials used. In 2008, 11,326 kg of hazardous wastes were handled at YVR.

AIRPORT AUTHORITY HAZARDOUS WASTES (2004-2008)

Year	Volume (kg)
2004	17,548
2005	12,368
2006	17,434
2007	20,754
2008	11,326

2008 HAZARDOUS WASTES - COMPOSITION

Hazardous Waste	Total (kg)	Percentage
Waste Oil	6,811	60.1
Batteries, Wet, Filled with Acid	1,220	10.8
Absorbent Contaminated with Waste Oil	1,185	10.5
Waste Antifreeze	1,000	8.8
Oil Filters	680	6.0
Fuels	250	2.2
Aerosols, Flammable	150	1.3
Paint Related Materials	30	0.3
Total	11,326	100

SPILL REPORTING AND TRAINING

Tenants are required to have spill response plans in place for the safe handling of hazardous goods. The Airport Authority regularly audits our tenants' level of spill preparedness and management of hazardous materials. In 2008, the Airport Authority updated its spill response and preparedness plan; the new plan will be distributed in 2009.

Approximately 1.4 billion litres of aviation fuel are handled at YVR each year. The Airport Authority's commitment is to have zero fuel spills in excess of 100 litres; however, when spills do occur they are reported immediately. Spills with potential to enter ditches or the Fraser River are also reported to Environment Canada and Transport Canada. Spill clean-up is done by the company responsible for the spill, and is closely monitored by the Airport Authority.

FUEL SPILLS EXCEEDING 100 LITRES (2004-2008)

2004	4
2005	7
2006	2

2007 3
2008 0



The Airport Authority recorded zero fuel spills of more than 100 litres in 2008, three fewer than in 2007.

Natural Habitat

YVR's Sea Island home is part of the ecologically diverse Fraser River Estuary. The estuary is an important staging area for birds on the Pacific Flyway, one of four major migratory routes in North America used by waterfowl. More than one million birds use the delta during peak migration periods.

Sea Island and its immediate surroundings include designated protected habitat areas or parks: Sea Island Conservation Area (SICA), McDonald Beach Park, Sturgeon Banks Wildlife Management Area, Iona Beach Regional Park and Swishwash Island.

The Airport Authority works closely with owners of adjacent lands, regulatory agencies, environmental groups and other stakeholders to protect environmentally sensitive features on and adjacent to YVR from the impact of airport operations. The key challenge is balancing environmental protection with key requirements for airport safety, such as wildlife control and de-icing.

WILDLIFE CONTROL

To reduce the risks associated with birds at the airport, the Airport Authority maintains a comprehensive wildlife management program, recognized as being among the best in the world. In 2008 the Airport Authority updated its Wildlife Management Plan in accordance with Transport Canada's regulations. Our program has four components: habitat management, monitoring, movement of birds away from aircraft operating areas through harassment techniques and, where a safety risk is perceived, killing of birds. No fewer than two wildlife officers patrol YVR's 1,300-hectare grounds at all times.

Habitat management is the most important component of the wildlife program. Where possible, habitats on airport lands are modified to reduce their attractiveness to hazardous wildlife species. Management techniques include carefully managing grass, weeds and other vegetation; water drainage; nesting and perching spots; garbage accumulation; and building design.

Through our wildlife monitoring, biologists track bird populations on and adjacent to the airport, study their behaviour, and keep detailed records of bird activity. This information allows us to learn from and improve our wildlife management efforts.

In 2008, approximately 1.6 million birds were moved away from aircraft operating areas using a variety of harassment techniques, including pyrotechnics, sirens, lights, propane cannons, and specially trained Border Collies. This represents a 2% decrease over 2007.

While habitat management and harassment techniques are the primary tools used, killing occurs when the officer perceives wildlife behaviour to be a safety risk. This may consist of an immediate risk to an approaching aircraft, or a potential or chronic risk that has increased to unacceptable levels. In 2008, 361 birds were killed by control officers.

In 2008, 212 birds were killed in 121 bird-strikes with aircraft, a 12% decrease over 2007. The largest portion of the bird strikes in 2008 involved dunlin and barn swallows, which, because of their small size, pose less of a safety risk than larger bird species. The bird-strike rate measures the number of bird-strikes with aircraft per 10,000 take-offs and landings. In 2008, our bird-strike rate was 4.3. Factors that contribute to bird-strikes include aircraft operations, environmental conditions and natural variability in bird populations.

Annual summary reports of the Airport Authority’s wildlife control activities are prepared and submitted to Transport Canada, Environment Canada and the B.C. Ministry of Environment and are also available on our [website](#).



TARGET: Bird-strike rate = 0.

Energy and Resources

The energy and resources program promotes the importance of resource-efficient operations and identifies ways to reduce consumption of natural gas, diesel, gasoline, water and electricity at the airport.

In 2008, an energy model was created to better predict the energy footprint of our buildings. By inputting criteria such as passenger increases and infrastructure changes, we can better understand our change in energy footprint.

The Airport Authority participates in BC Hydro’s Energy Manager Program, a program that dedicates an existing staff member to establish, identify, and enhance energy efficiency opportunities, manage the implementation of energy-saving projects and improve on existing operational and maintenance procedures at our facility.

We also engage a cross-departmental team of Airport Authority employees to identify and implement energy reduction initiatives. The Energy Reduction Team conducts energy audits as well as educating staff about energy conservation at home and at work.

NATURAL GAS CONSUMPTION

Since 2003 the Airport Authority has been continually improving its natural gas efficiency through the installation and expansion of solar-powered hot water heating systems.

In 2008, the solar-powered hot water distribution system was expanded to include the new addition to C-Pier. Studies were performed in 2008 to determine the feasibility of future expansions of the system to other parts of the International Terminal. With the approval and planned installation of this project in 2009, approximately 80% of the hot water systems in both the Domestic and International terminals will be connected to the solar powered system.

AIRPORT AUTHORITY NATURAL GAS CONSUMPTION (2004-2008)

Year	Natural Gas – Gigajoules (GJ)			Combined Intensity	
	International Terminal Building	Domestic Terminal Building	Combined	Terminal Area m ² *	Intensity GJ/1,000m ²
2001	48,332	44,465	92,797	278,793	332.85

2002	51,034	38,856	89,889	273,081	329.17
2003	46,877	37,061	83,938	285,439	294.06
2004	40,196	28,985	69,181	287,977	240.68
2005	37,960	31,257	69,217	288,214	240.35
2006	46,739	35,170	81,909	284,980	284.43
2007	70,782	38,933	109,715	335,407	318.46
2008	64,061	33,213	97,274	335,407	290.02

** In 2008, the Airport Authority re-evaluated area calculations. This has resulted in minor changes to previous years' results, which are reflected above.*

ELECTRICITY CONSUMPTION

The Airport Authority has a long-term goal to improve electricity efficiency. A lighting audit and redesign study was undertaken in 2007 determining the feasibility of technology upgrades in areas with high ceilings where technical work is performed. These projects are underway and will be completed in early 2009 and will result in significant energy savings of 2,000,000 kWh (\$80,000) per year.

As the first North American airport to use LED lighting on its taxiways in 2003, YVR has a long history of using this energy efficient technology. The Airport Authority has continued to trial emerging applications of this technology in uses such as office lighting and parkade exit signs.

In 2008 we decentralized our supply storage facilities, reducing fuel consumption by approximately 17,000 liters (39.8 tonnes of CO₂) per year. These remote sites are now trialing a warehouse LED lighting application to garner the effectiveness of energy efficient lighting.

Our commitment to electrical consumption has enabled YVR to maintain electrical efficiency levels relative to 2001 at year-end 2008, despite the increase in overall building floor space resulting in increased total energy consumption. These new facilities include many design features that improve overall energy efficiency relative to older parts of the terminal, therefore improving electrical consumption per area.

ENERGY EFFICIENCY (2001-2008)

Year	Total Electricity (GWh)	Intensity (GWh/1000m ²)
2001	76.13	0.273
2002	73.46	0.269
2003	72.22	0.253
2004	74.41	0.259
2005	77.08	0.268
2006	77.85	0.270
2007	84.85	0.250
2008	89.23	0.266

In 2008, a new target for electrical consumption was set. Our goal for 2009 is a 2% reduction in electrical energy consumption per square meter (excluding consumption from our security screening process). This will better reflect the achievements made, which include cumulative savings of more than \$5.5-million dollars in electricity costs since 1999.

Waste Reduction and Recycling

The Airport Authority oversees a series of programs aimed to increase recycling by Airport Authority employees, airport tenants and passengers, by educating and enhancing awareness of recycling facilities and practices at YVR.

Waste statistics are tracked for three areas of the airport: terminals, satellite sites and construction projects. 2008 was a record year for waste reduction and recycling at YVR, in which the Airport Authority was able to recycle, compost or reuse:

- 36% of waste from airport terminals
- 39% of waste from satellite sites
- 99% of material from construction projects including concrete, asphalt, metals and wood

Of the total 74,059,985 kg of combined waste from airport terminals, satellite locations and construction projects, 70,885,762 kg or 96% was recycled with the remaining 3,174,223 kg of waste going to the landfill in 2008.

WASTE BY SOURCE 2008

	Recycled (kg)	Landfill (kg)	Total (kg)	Recycled
Terminals	1,252,967	2,198,395	3,451,362	36%
Satellite sites	60,238	96,138	156,376	39%
Construction	69,572,557	879,690	70,452,247	99%
Combined total	70,885,762	3,174,223	74,059,985	96%

The Airport Authority purchased an additional 193 combined waste and recycling containers in 2008. Approximately 285 new recycling containers are now placed throughout the airport's public areas with plans to fully deploy the new recycling containers in 2009.

AIRPORT TERMINAL WASTE DIVERSION RATES (2004-2008)

(Percentage of waste recycled, composted or reused)

2004	2005	2006	2007	2008
33%	31%	29%	30%	36%

AIRPORT TERMINAL RECYCLING COMPOSITION 2008 (by weight)

Paper/Cardboard	47.9%
Glass/Metal/Plastic Containers	27.3%
Grease	10.9%
Miscellaneous*	8.4%
Yard Waste	3.4%
Compostables	1.9%
Electronics	0.2%

*Includes batteries, lights, scrap steel, minor construction waste and wood pallets

AIRPORT TERMINAL WASTE GENERATED AND RECYCLING PER PASSENGER (2004-2008)

	2004	2005	2006	2007	2008
Garbage (kg)	0.117	0.121	0.133	0.134	0.123
Recycling (kg)	0.059	0.053	0.054	0.058	0.070
Total (kg)	0.176	0.174	0.187	0.192	0.193



2008 RESULT: Recycled, composted or reused 96% of total waste, surpassing the 50% target.



2009 TARGET: Greater than 32% waste diversion for Terminal & Satellite areas. Greater than 75% waste diversion for construction projects.

Water Quality

The Airport Authority's Water Quality Program looks to minimize or prevent pollution that results from airport-related activities, with a focus on protecting surface and ground water, and ensuring sensitive aquatic habitats are not compromised. This is achieved through a strict program of pollution prevention, emergency response preparedness and water quality monitoring.

Three key airport activities have the potential to impact storm water runoff and local water quality: aircraft and runway de-icing, aircraft refuelling, and construction activities. The Airport Authority has strategic control measures and procedures in each of these key areas.

DE-ICING

Aircraft de-icing in winter is necessary for aviation safety reasons. De-icing is done using fluid that contains chemicals such as glycol, which is an environmental pollutant. The Airport Authority closely monitors and regulates de-icing activities through mitigation plans and monitoring airport runoff. In 2008, more than 400 water samples were collected from surface water quality monitoring stations, and analyzed for ethylene glycol and propylene glycol.

December brought an unprecedented 90 cm of snowfall for the month, requiring more than 900,000L of aircraft deicing fluid. The Airport Authority Environment staff collected water samples from the Sea Island ditch outfalls during all deicing events and of the 400 samples, five exceeded the Canadian Glycol Guideline limit of 100 parts per million, all of which occurred during the December snow events.

The Airport Authority's de-icing pads provide effective containment of glycol, and reduce the likelihood of it entering the environment. De-icing fluids contained on these pads are treated at an onsite glycol processing facility allowing more efficient glycol recycling.



2008 RESULT: 5 exceedences



2009 TARGET: 0 exceedences

FUEL SPILL MANAGEMENT

The Airport Authority would prefer that fuel spills not occur and works closely with airlines, ground handlers and tenants to provide training and spill response preparedness. However, in the event that spills do occur, oil-water separators are installed in all new vehicle parking lots and aircraft parking areas at YVR. These oil-water separators are a first line of defence in the event of fuel spills. The second line of defence includes shut-off gates located in drainage ditches at the edge of the airport property; these allow ditch flow to be stopped if necessary should there be a spill or other emergency.

In 2008 five new, large oil-water separators were installed in aircraft apron upgrades. These separators will help prevent fuel and oil entering the environment, in the event of a spill.

CONSTRUCTION

Excavating soil and the placement of preload materials before a construction project can potentially increase soil erosion and release sediment into sensitive aquatic habitats. The Airport Authority requires strict erosion control measures on all projects that expose soil, and monitors construction projects on an ongoing basis.

To ensure that erosion-control measures are effective, the Airport Authority monitors total suspended solids and turbidity in runoff from construction sites, as well as at the seven drainage ditch discharges from Sea Island to the Fraser River. Results were consistent with previous years, and demonstrate that construction site erosion control efforts have been effective.

2008 Environmental Performance Indicators Summary Table

The Airport Authority is committed to operating YVR in a manner that minimizes its impact on the environment, both natural and urban. The following summarizes environmental performance indicators and results for 2008.

	Measure	2008 Target	2008 Result
Aeronautical Noise <i>Objective: Minimize aircraft noise disturbance on the community.</i>	Number of violations of published noise abatement procedures	0	0
	Status of planned initiatives from 2004-2008 YVR Noise Management Plan	Complete 100% of Year 5 initiatives	100%
Environmental Impact Assessment <i>Objective: Integrate environmental measures into design, construction and operation of all new projects.</i>	Percentage of construction projects reviewed by the Environment Department	100%	100%
Hazardous Materials <i>Objective: Minimize pollution that results from airport-related activities.</i>	Number of fuel spills exceeding 100 litres	0	0
Recycling <i>Objective: Decrease the amount of solid waste sent for disposal.</i>	Total waste diverted from landfill from Airport Authority facilities, satellite locations and construction projects	Greater than 50% waste diversion	96%
Water Quality <i>Objective: Minimize pollution that results from airport-related activities.</i>	Water samples exceeding Canadian Glycol Guideline of 100 parts per million of glycol	0	5

New performance targets have been established for 2009. Reporting as an environmental composite, the following targets have been identified:

	2009 Target
REGULATORY COMPLIANCE <i>Objective: Comply with environmental legislation & regulations.</i>	Zero (0) violations of environmental regulations
GLYCOL EXCEEDANCES: <i>Objective: Minimize pollution that results from airport-related activities.</i>	Zero (0) water samples exceeding Canadian Glycol Guideline of 100 parts per million of glycol
WASTE DIVERSION RATES: TERMINAL AND SATELLITE FACILITIES: <i>Objective: Decrease the amount of solid waste sent for disposal.</i>	Greater than 32% waste diverted from landfill from Airport Authority facilities and satellite locations
WASTE DIVERSION RATES: CONSTRUCTION WASTE: <i>Objective: Decrease the amount of solid waste sent for disposal.</i>	Greater than 75% waste diverted from landfill from Airport Authority construction projects
ENERGY: ELECTRICITY <i>Objective: Reduce energy consumption</i>	2% reduction of energy consumption/m ² (excluding CATSA consumption)
NOISE ANNOYANCE: <i>Objective: Minimize aircraft noise disturbance on the community.</i>	80% of community indicating they have not been annoyed by aircraft noise (as per Community Survey)

VANCOUVER AIRPORT AUTHORITY
2008 GOVERNANCE REPORT

Our Governance Process

When the Airport Authority assumed responsibility for YVR in 1992, it put in place governance rules and practices. These are reviewed at least annually with the assistance of outside expert advice as needed. Comprehensive governance procedures are contained in the [Board of Directors' Governance Rules and Practices Manual](#), which is available on our website. The Manual includes:

- Administrative guidelines
- Terms of Reference for the Board, Board Chair, President & CEO and Directors
- Code of conduct and conflict of interest guidelines
- Performance evaluation process for the President & CEO and Board of Directors
- Director compensation
- Accountability and transparency practices
- Guidelines, Terms of Reference and membership for each of the Board's committees: Finance and Audit, Governance and Human Resources, and Planning and Development.

Board of Directors

Our Board has 14 Directors with nine appointees of eight nominating entities with key ties to the local community. Up to five additional Directors may be appointed by the Board from the community at large. The President and Chief Executive Officer also serves as a Director.

Director	Representative Capacity (Nominating Entity)	Term Expiry	Committee Memberships (see key below)
Graham Clarke	Chair, Director At Large	2011	b
Larry Berg	President and Chief Executive Officer	n/a	
George Cadman	Government of Canada	2011	b
Peter Dhillon	City of Richmond	2011	b, d
Rhys Eyton	Institute of Chartered Accountants of British Columbia	2009	a, e
Bruna Giacomazzi	Director At Large	2010	c, e
Ruston Goepel	Director At Large	2010	b, d
Grayden Hayward	The Vancouver Board of Trade	2009	a, e
Mary Jordan	Director At Large	2010	a, e
Carol Alter Kerfoot	The Law Society of British Columbia	2009	a, e
Philip Owen	City of Vancouver	2011	c, d
Wilson Parasiuk	Metro Vancouver (GVRD)	2011	c
John Watson	Association of Professional Engineers and Geoscientists of British Columbia	2009	b, e
Peter Webster	Government of Canada	2009	c, d

a Finance and Audit Committee
b Governance and Human Resources Committee
c Planning and Development Committee
d 2010 Olympic and Paralympic Games Task Force
e Compensation Study Task Force

Our Planning Process

The Airport Authority has a five-tiered planning process to guide airport operations and development in the short, medium and long terms. The Strategic Plan provides the fundamental direction—the Mission, Vision and Values—for the organization.

The Master Plan looks forward 20 years to ensure the best allocation of YVR resources. The Master Plan process includes a significant public consultation program and evaluates potential airside, terminal, and ground access and parking development options based on comprehensive sustainability criteria that are divided into four areas: Governance, Economic, Environmental and Social.

The Airport Authority completed a draft 20-Year Master Plan outlining our recommendations for meeting YVR's needs to 2027 as well as a proposed 2027 Airport Land Use Plan. In 2007, we submitted the 2027 Land Use Plan to the Federal Minister of Transport for approval. The plan was approved in 2008. The updated [YVR: Your Airport 2027 Master Plan](#) including the 2027 Land Use Plan is available on our website.

The Capital and Financial Plans determine the funding and timing of airport infrastructure developments. The Detailed Strategic Plan looks five years out and provides the planning context for the annual Business Plan. The Business Plan outlines the Airport Authority's objectives and initiatives for the coming year.

Corporate Governance Report

PART ONE – CORPORATE GOVERNANCE

I. Introduction

The Airport Authority's Board of Directors and management regard effective corporate governance as critical to the proper execution of its responsibilities. Corporate governance refers to the process of establishing structures, policies and procedures to ensure adequate stewardship of the business and affairs of the Airport Authority. This includes ensuring the financial viability of the business.

The Board's fundamental role is to ensure that the Airport Authority fulfils its objectives in a safe, efficient and reliable manner. Its responsibilities include oversight, review, and approval of the Airport Authority's strategic plan, long-term financial plans and annual budgets. Maintaining the integrity of internal controls, assuring prudent plans are in place for Board renewal and management succession, and making sure there is a policy to enable effective communications with employees, business partners and the community are also critical Board functions.

II. Composition of the Board

Except for the president, all Directors are *unrelated Directors*. Each is independent of management and free from any interest, business or other relationship that could, or

could reasonably be perceived to, interfere materially with the Director's ability to act with a view to the best interests of the Airport Authority. The Airport Authority's President and Chief Executive Officer is a "related" member of the Board by virtue of his position in management.

The Airport Authority's By-laws permit a maximum of 15 Directors. As described previously, nine Directors are appointed by *Nominating Entities*, up to five Directors are appointed by the Board from the community at large and, as noted above, one seat on the Board is held by the President and CEO of the Airport Authority.

The following organizations (Nominating Entities) appoint Directors:

- The Association of Professional Engineers and Geoscientists of British Columbia - One Director
- City of Richmond - One Director
- City of Vancouver - One Director
- Government of Canada - Two Directors
- Metro Vancouver - One Director
- The Institute of Chartered Accountants of British Columbia - One Director
- The Law Society of British Columbia - One Director
- The Vancouver Board of Trade - One Director

Collectively, Directors must possess knowledge in relation to transportation, aviation, business, finance, law, government, the organization of workers and the interests of consumers. Directors normally serve a three-year term and are eligible for re-appointment. The Board usually meets six times annually.

III. Committees of the Board

The Finance and Audit Committee ensures that the Airport Authority has a rigorous system of internal controls and financial reporting and is in compliance with applicable laws and regulations as they relate to financial disclosure. As part of its function, the Committee assesses the effectiveness of the Airport Authority's business practices and policies that affect the financial position of the Airport Authority such as: internal auditing; accounting; insurance; risk management; information systems; financial controls; and management reporting. The Committee also reviews: airport finances, including the retirement or issuing of debt; the financial impact of major capital projects and annual budget assumptions. The Committee is responsible for recommending the appointment of the Airport Authority's auditors to the Board. All members of the Committee must have a basic level of financial literacy.

The Governance and Human Resources Committee is responsible for ensuring that Board governance practices enhance corporate performance and meet accepted levels of transparency and accountability. It oversees human resources and compensation policies, succession planning for executive and other key employees and the process of recruiting and recommending candidates from the community for Director at large positions. It annually conducts the President's performance evaluation process. It also reviews the Airport Authority's environmental and health and safety management system and plans to ensure that the Airport Authority achieves both compliance and continual

improvement in the areas of safety and the environment. Finally, the Committee annually reviews the Airport Authority's Communication Policy, Facility Permit Process, and government relations activities.

The Planning and Development Committee assists the Board in fulfilling its responsibility for long-range planning including strategic, master and capital plans. It reviews the plans, scope, schedule and budget for major capital projects. The Committee also oversees land and commercial development to ensure that it is designed to achieve the Airport Authority's strategic objectives of enhancing revenues, becoming the best in customer service and ensuring that the airport continues to be a key economic generator for the community.

When circumstances require, the Board may also establish task forces. Task forces are created to deal with a specific issue and are constituted for a defined period of time. In 2008, the Board established two task forces, the **Compensation Study Task Force** and the **2010 Olympic and Paralympic Games Task Force**. The **October 14 Incident Task Force**, established in 2007 following the tragic death of Robert Dziekanski, completed its mandate in early 2008 after reviewing the Airport Authority's policies, procedures and practices with regard to safety, security and customer service. It provided recommendations to the Board on changes to ensure that the airport cares for every customer.

The Compensation Study Task Force engaged an external compensation expert and reviewed the Airport Authority's executive compensation philosophy in light of its strategic aims and business needs. The Task Force concluded its work in 2008 and made recommendations to the Board regarding the design of the executive compensation program.

The 2010 Olympic and Paralympic Games Task Force will review the Airport Authority's preparations, plans, and execution of said plans for the 2010 Winter Olympic and Paralympic Games and make recommendations to the Board. The Task Force will consider all such other matters as may be necessary to achieve the Airport Authority's stated goal of providing the best airport experience ever associated with an Olympic and Paralympic Games.

IV. Code of Conduct for Directors

All Directors of the Airport Authority are required to comply with a Code of Conduct and Rules Concerning Conflicts of Interest. These require that Directors avoid involvement in situations of conflict of interest.

Every Director of the Airport Authority is required to file a disclosure statement upon becoming a Director. Thereafter, each Director must file an annual disclosure statement, which is reviewed by the Chair, the President and the Corporate Secretary and the Airport Authority's external auditors. In addition, any Director may review the statements upon request to the Corporate Secretary.

The Airport Authority's by-laws require that it report annually in writing on the Directors' compliance with its conflict of interest guidelines. The Airport Authority confirms that all Directors have complied in full with the Rules Concerning Conflicts of Interest.

PART TWO - EXECUTIVE AND BOARD COMPENSATION

I. Executive Compensation Philosophy

The objectives of the Airport Authority's executive compensation program are:

- To attract and retain the calibre of executive required to ensure that the Airport Authority remains a global leader;
- To recognize achievement by linking executive pay with the advancement of such key corporate objectives, as:
 - Financial performance;
 - Operating efficiencies; and
 - Customer satisfaction.

Peer Group for Pay Comparisons

In determining executive pay levels, the Airport Authority makes comparisons with privately held companies from a variety of industries across Canada. A size adjustment is made for comparator firms' revenue.

Market Positioning

The Airport Authority targets compensation at the median of the peer group, with the opportunity of incentive pay when individual and corporate performance exceeds expectations.

II. Executive Compensation Review Process

Each year the Governance and Human Resources Committee retains independent compensation consultants to provide the market compensation data on which compensation decisions are based. The Committee then recommends to the Board the compensation of the CEO and other executives after considering the consultant's report and individual and corporate performance.

III. Executive Salaries

The salary range for the President of the Airport Authority during 2008 was \$390,000 to \$730,000 and for each of the Vice Presidents it was \$170,000 to \$325,000.

The ranges set forth above include base salaries and annual bonus payments paid during the year and do not include taxable benefits. Bonus payments are contingent on individual and corporate achievements. Executives also participate in post-retirement arrangements as reported in the Consolidated Financial Statements, footnote No.17.

IV. Directors' Remuneration

Each year, the Governance and Human Resources Committee obtains independent compensation advice to provide market compensation data on which Directors' remuneration decisions are based.

The President, who is an employee of the Airport Authority, is not remunerated for services as a Director.

The remuneration for non-management Directors is:

Annual Retainer	Chair	\$115,000
	Committee Chair	\$ 26,000
	Other Directors	\$ 20,000
Board and Committee meeting attendance fee		\$1,000
Other meeting fee		\$ 500

Subject to approval from the Governance and Human Resources Committee, Directors are reimbursed for all reasonable out-of-pocket expenses. Out of town travel expenses incurred to attend to the business of the Airport Authority must be pre-approved by the Chair in the case of Directors and by the Governance and Human Resources Committee Chair in the case of the Chair. Travel expenses for attendance at Board and Committee meetings are not reimbursed unless the Director resides outside the Metro Vancouver Regional District.

The total remuneration paid during 2008 to each Director was as follows:

G. Clarke ¹	\$131,800	M. Jordan	\$52,000
G. Cadman ²	\$20,667	C. Kerfoot	\$50,000
P. Dhillon	\$44,167	P. Owen	\$45,667
R. Eyton	\$47,167	W. Parasiuk ²	\$21,167
B. Giacomazzi	\$45,000	R. Stern ²	\$16,500
R. Goepel	\$43,500	J. Watson	\$46,500
G. Hayward	\$46,500	P. Webster	\$40,500
B. Johnson ²	\$19,500		

¹ Mr. Clarke's remuneration also includes fees earned as the Chair of YVRAS. He received \$115,000 as Chair of the Airport Authority Board and the remainder as Chair of YVRAS.

² Mr. Cadman and Mr. Parasiuk joined the Board and Ms. Johnson and Mr. Stern retired from the Board at the May 2008 Annual General Meeting.

In addition to the above remuneration, Directors were reimbursed for expenses totaling \$5,314 in 2008.

PART THREE - PURCHASING POLICIES

I. Conflict of Interest and Confidentiality

All Airport Authority employees and consultants must comply with the Airport Authority's Conflict of Interest Guidelines.

II. Environmental and Safety Considerations

The Airport Authority is committed to meeting or exceeding any laws or regulations concerning both environmental protection and workplace safety. During the purchasing process, suppliers are encouraged to offer, and the buyer will seek out, environmentally responsible products or services. Contractors and suppliers will be required to abide by all Airport Authority safety and environmental rules and regulations.

III. Insurance

No contractor shall commence work on the Airport Site until evidence of adequate insurance and WCB coverage is provided.

IV. Acquisition Methods

Best Value Purchasing

Best value purchasing is assessed in terms of legal and financial risks as well as timing of delivery, quality, pricing, life cycle costs including warranties, operating and maintenance costs, disposal, and any other costs associated with ownership, function, and use.

Competitive Submissions

In general, the procurement of goods, services and construction service contracts in excess of \$100,000 (in 2000 dollars, subject to an annual adjustment for inflation) will be awarded following a competitive process.

The Airport Authority will provide information to all proponents including:

- written competitive specifications;
- proposed terms and conditions;
- whether alternatives will or will not be considered;
- an indication of the evaluation criteria that will be used to assess the offers.

If a site visit or contractor meeting is required prior to submission closing time, the Airport Authority will ensure all proponents are invited. At the conclusion of the meeting, the Airport Authority will prepare and distribute minutes of the meeting, and issue in writing any required addenda to all contractors.

Submissions will be received in accordance with the instructions given by the Airport Authority. The Airport Authority reserves the right to accept or reject late or incomplete submissions. Following the submission Closing Time, submissions are opened by Purchasing and Contracting Services in the presence of a witness. All submissions are initialled, and date and time stamped at time of opening.

Exceptions

Exceptions to this policy may be made in the circumstances described below. The person with the appropriate signing authority will state in writing upon what grounds the exception is being made.

Reasons for exceptions:

1. The goods or services are of a proprietary nature or there is only one qualified supplier;
2. The urgency of a safety, security or critical operating need so requires;

3. In compliance with a product or equipment standardization program;
4. When the supplier has satisfactorily performed previous related services that provided a cost saving to the Airport Authority;
5. The essential partnership of the transaction exists between a major third party (for example, airlines, hotels, cruise ship lines) and the supplier;
6. The value of the product or service does not warrant the cost and time required to invite competitive submissions;
7. The supplier has been awarded a contract for a similar product or service by the Airport Authority as the result of a competitive process within the previous five (5) years.

PART FOUR - REPORT ON SINGLE-SOURCE CONTRACTS IN EXCESS OF \$100,000

The table below reports contracts for the purchasing of goods and services in excess of \$100,000 (in 2000 dollars) awarded during 2008, which were not awarded on the basis of a competitive process. These contracts represent less than 3% of all the contracts awarded in 2008.

Contract Value	Contractor	Description of Contract	Reasons*
\$3,320,913	City of Richmond	RCMP security services	1
\$2,837,248	Securiguard Services	Security services	7
\$2,052,539	Vanderlande Industries	Domestic Terminal inbound baggage lines 2 and 3 relocations	7
\$1,318,143	Securiguard Services	Security services	7
\$1,131,227	Ledcor Special Projects	International arrivals area upgrade	7
\$1,079,188	Eagle Airfield	Oshkosh Series H multi-purpose blower and runway sweeper	4
\$1,066,289	BC Corp of Commissionaires	Shuttle bus operations in employee parking lots	4
\$1,024,511	QinetiQ Incorporated	Foreign object debris (FOD) radar camera system	1
\$922,783	Unisource Canada	Janitorial supplies	1
\$846,817	BC Corp of Commissionaires	Parking lot services	4
\$691,000	IBM Canada Limited	Kiosks design and supply	1
\$663,068	Vanbots Construction	New sterile corridor	7
\$660,461	JBT - Jetway	Passenger loading bridge	1
\$614,857	BC Corp of Commissionaires	Wildlife services	4
\$611,995	BMS Integrated Services	Canada Border Services Agency (CBSA) cameras	7
\$594,892	InterVistas Consulting	Consulting Services	7
\$492,600	Fujitec Canada Inc.	Relocation of two moving walkways - Domestic sterile corridor (#106 and #117)	7
\$438,372	Fujitec Canada Inc.	Relocation of two moving walkways-domestic sterile corridor (#105 and #116)	7
\$385,393	Siemens Canada	South runway re-lamp fixtures	1
\$375,000	Ledcor Special Projects	Renovation for NEXUS International Terminal level 3 office	5
\$344,000	Simplex Grinnell	NFPA 13 sprinkler system	7
\$328,358	Imperial Paving	Watermain installation at Templeton station	7

Contract Value	Contractor	Description of Contract	Reasons*
\$296,877	Chevron Canada	Diesel, for Templeton	4
\$292,395	Simplex Grinnell	Fire alarm speakers equipment in Domestic Terminal Level 1 and tunnel area	7
\$287,100	Quantum Murray	Asbestos abatement pre-2010 areas	4
\$277,831	Pickett's Nurseries	Pre-purchase of trees for 2008 interchange and northlands development	1
\$272,939	Crosstown Metal Industries	Supply LCD Fids enclosures	3
\$266,362	Safegate Group	Supply and install aircraft docking guidance system	1
\$241,172	Towers Perrin	Compensation consulting services	7
\$236,629	MyGold Import and Export Inc.	Floor tiles	1
\$233,586	SNC Lavalin	North fan flat seismic upgrade project	7
\$229,793	Chevron Canada	Gasoline, unleaded 87 octane	1
\$221,464	Xerox	Photocopier rental	7
\$215,995	Dynamic Specialty Vehicles Ltd.	Medium duty passenger bus	7
\$214,160	Sharp & Diamond Landscape Architecture	Grant McConachie Way/interchange landscaping	7
\$204,342	UMA Engineering	Design and engineering services for the permanent Grauer Lands employee parking lot.	7
\$198,920	Deco Plus	Original International Terminal bridge refurbishing program (19 Units)	7
\$192,600	Acklands Grainger Inc	Maintenance shop supplies	4
\$191,797	Mannington Carpets	Replacement carpeting	7
\$180,000	Gage-Babcock & Assoc	Code review for capital projects	7
\$179,330	Brandt Tractor Ltd	John Deere loader	4
\$178,651	Smarte Carte	Baggage carts	1
\$177,000	Read Jones Christoffersen Ltd	Fan flat upgrade structural and prime consulting	7
\$175,000	ACGHS Air Canada	Baggage sortation for Domestic Terminal North	5
\$165,666	BC Hydro	Ferguson road UPS development	1
\$165,301	TSC Nursery Sales	Plants for YVR interchange	7
\$160,971	Glidepath	In-line scale system for LINK	7
\$145,800	Wells Water Works	Sewage system effluent grinders	2

Contract Value	Contractor	Description of Contract	Reasons*
\$144,780	Simplex Grinnel	Fire extinguisher service program	1
\$144,745	Emily Goes Commercial	Art consulting and art maintenance	7
\$133,740	Harper Learning & Development Inc.	Training	1
\$128,357	Spafax Canada Inc.	YVR arrivals videos, English / French	1
\$124,596	FMC Technologies Inc	Loading bridge parts	1
\$121,687	Donald Flooring	Carpet replacement	7

**Reasons are explained below and on page 7.*

Reasons for exceptions:

1. The goods or services are of a proprietary nature or there is only one qualified supplier;
2. The urgency of a safety, security or critical operating need so requires;
3. In compliance with a product or equipment standardization program;
4. When the supplier has satisfactorily performed previous related services that provided a cost saving to the Airport Authority;
5. The essential partnership of the transaction exists between a major third party (for example, airlines, hotels, cruise ship lines) and the supplier;
6. The value of the product or service does not warrant the cost and time required to invite competitive submissions;
7. The supplier has been awarded a contract for a similar product or service by the Airport Authority as the result of a competitive process within the previous five (5) years.

PART FIVE - GUIDELINES FOR CORPORATE GOVERNANCE

The Airport Authority chooses to report against National Policy 58-201 Corporate Governance Guidelines and the accompanying National Instrument 58-101 Disclosure of Corporate Governance Practices.

The following table demonstrates how Vancouver Airport Authority meets these Corporate Governance Guidelines.

Vancouver Airport Authority Corporate Governance Disclosure	
Guideline	Disclosure
<p>1. The Board of Directors Disclose:</p> <ul style="list-style-type: none"> ➤ Independent Directors and whether or not majority are independent. ➤ Directors who are not independent and explain. ➤ If Independent Directors hold regularly scheduled meeting at which members of management are not in attendance. ➤ If the Chair of the Board is an Independent Director, the identity of the Chair and his or her responsibilities. ➤ Disclose the attendance record of Directors. 	<ul style="list-style-type: none"> ➤ All Directors are independent with the exception of the President and CEO, who as an employee and executive officer of the Airport Authority is not independent. ➤ Independent Directors hold an <i>in camera</i> session, without the presence of management, at every Board and committee meeting. ➤ Graham Clarke, the Chair, is an Independent Director. The Chair's Terms of Reference can be found at Tab 4 in the Board's Governance Rules and Practices Manual, published at www.yvr.ca. ➤ Director attendance is reviewed annually by the Governance Committee. In 2008, there were 41 meetings of the full Board and Board Committees. Including all of these meetings, the Board had an overall average attendance rate of 96%.
<p>2. Board Mandate</p> <ul style="list-style-type: none"> ➤ Disclose the text of the Board's written mandate. 	<ul style="list-style-type: none"> ➤ The Administrative Guidelines and Terms of Reference for the Board of Directors can be found at Tabs 2 and 3 respectively in the Board's Governance Rules and Practices Manual, published at www.yvr.ca.

**Vancouver Airport Authority
Corporate Governance Disclosure**

Guideline		Disclosure
3.	<p>Position Descriptions Disclose:</p> <ul style="list-style-type: none"> ➤ Whether the Board has developed written position descriptions for the Chair, and the Chair of each Board Committee. ➤ Whether the Board and CEO have developed a written position description for the CEO. 	<ul style="list-style-type: none"> ➤ The Terms of Reference for the Chair (Tab 4), Guidelines for Committees (Tab 15b) and Terms of Reference for each individual Committee (Tabs 15c to 15f) can be found in the Board’s Governance Rules and Practices Manual, published at www.yvr.ca. The Airport Authority thinks the latter two provide sufficient guidance to Committee Chairs. ➤ Terms of Reference for the President and CEO can be found at Tab 5 in the Board’s Governance Rules and Practices Manual, published at www.yvr.ca.
4.	<p>Orientation and Continuing Education Briefly describe:</p> <ul style="list-style-type: none"> ➤ What measures the board takes to orient new Directors regarding the role of the Board, its committees and its Directors and the nature and operation of the corporation’s business. ➤ What measures the Board takes to provide continuing education for its Directors and how the Board ensures its Directors maintain the skill and knowledge necessary to meet their obligations as Directors. 	<ul style="list-style-type: none"> ➤ The orientation and continuing education programs are described in Tab 8 Director Development and Education Plan in the Board’s Governance Rules and Practices Manual, published at www.yvr.ca. An orientation checklist is prepared for each new Director and the completed list is circulated to the Governance and Human Resources Committee. The Education and Development program is reviewed annually by the Governance and Human Resources Committee.

**Vancouver Airport Authority
Corporate Governance Disclosure**

Guideline	Disclosure
<p>5. Ethical Business Conduct Disclose:</p> <ul style="list-style-type: none"> ➤ Whether the Board has adopted a written code of conduct; how an interested party may obtain a copy; and how the Board monitors compliance with its code. ➤ Any steps the Board takes to ensure Directors exercise independent judgment in considering transactions and agreements in respect of which a Director or executive officer has a material interest. ➤ Any other steps the Board takes to encourage and promote a culture of ethical business conduct. 	<ul style="list-style-type: none"> ➤ The Code of Conduct for Directors and Rules Concerning Conflicts of Interest can be found at Tab 7 in the Board’s Governance Rules and Practices Manual, published at www.yvr.ca. Each Director is required to file an annual disclosure statement; the statements are reviewed by the Chair, President and Corporate Secretary and available for review by any Director upon request to the Corporate Secretary. ➤ Should a Director engage in an activity which may be construed as a conflict, the Director must make full disclosure to the Chair who will rule on the conflict in writing. It would be a very rare occurrence for a Director or Executive to have a material interest in a transaction or agreement being considered by the Board; should this occur, the Director or executive will recuse him- or herself from the Board discussion and decision making. ➤ The by-laws require an annual statement on Directors’ compliance with its conflict of interest guidelines. See Part One, Section IV of this report. The Chair has appointed the Corporate Secretary to serve as the Designated Officer for the administration of rules for Airport Authority employees concerning Conflict of Interest. The Board adopted a formal Whistleblower Policy in 2004; copies of which are available upon request to the Corporate Secretary.

**Vancouver Airport Authority
Corporate Governance Disclosure**

Guideline		Disclosure
7.	<p>Compensation Disclose:</p> <ul style="list-style-type: none"> ➤ The process by which the Board determines the compensation for Directors and officers. ➤ Whether or not the Board has a compensation committee composed entirely of Independent Directors. ➤ If the Board has a compensation committee, describe the responsibilities, powers and operation of the committee. ➤ If a compensation consultant or advisor has at any time since the beginning of the corporation's most recently completed financial year, been retained to assist in determining compensation for any of the issuer's Directors and officers, disclose the identity of the consultant or adviser and summarize the mandate for which they have been retained. 	<ul style="list-style-type: none"> ➤ See Part Two - Executive and Board Compensation of this report. ➤ The Governance and Human Resources Committee is composed entirely of Independent Directors. ➤ The Governance and Human Resources Committee's Terms of Reference can be found at Tab 15d in the Board's Governance Rules and Practices Manual, published at www.yvr.ca. ➤ Towers Perrin was engaged by the Governance and Human Resources Committee to provide independent compensation advice with regard to the executive compensation plan.
8.	<p>Other Board Committees</p> <ul style="list-style-type: none"> ➤ Disclose whether or not the Board has standing committees other than audit, compensation and nominating committees and describe their function. 	<ul style="list-style-type: none"> ➤ The Board also has a Planning and Development Committee. Its Terms of Reference can be found at Tab 15f in the Board's Governance Rules and Practices Manual, published at www.yvr.ca.
9.	<p>Assessments</p> <ul style="list-style-type: none"> ➤ Disclose whether or not the Board, its committees and individual Directors are regularly assessed with respect to their effectiveness and contribution and describe the process used for the assessment. 	<ul style="list-style-type: none"> ➤ This is an annual process, which is set out in Tab 10 – The Board Evaluation Process in the Board's Governance Rules and Practices Manual, published at www.yvr.ca.

VANCOUVER AIRPORT AUTHORITY
2008 SOCIAL REPORT

Our People

Our people are critical to our success. With 416 employees, of whom 308 are members of the Public Service Alliance of Canada (PSAC), the Airport Authority strives to create a workplace where employees truly enjoy and are fulfilled by their jobs. Through skills development, employee recognition and health and wellness, we endeavour to create an environment that supports and develops our employees.

The average age of an Airport Authority employee is 42, with an average length of service of eight and a half years. Our voluntary five-year average turn-over rate is 5.6 percent with a consistently high average attendance rate of 97 percent. The Airport Authority's annual voluntary turn-over rate decreased from 8 percent to 5.8 percent in 2008.



2008 RESULT: 97 percent employee attendance rates



2009 TARGET: >96 percent employee attendance rates

Investing in Our People

One of the ways we maintain a highly skilled and efficient workforce is by investing in the development of our team members, listening to feedback and recognizing outstanding contributions. We are committed to providing Airport Authority employees with extensive on-the-job and classroom training and the opportunity to identify and pursue their strengths.

CAREER DEVELOPMENT

To enable a cross-functional and flexible team, Airport Authority skilled trade employees are encouraged to develop proficiency in a second trade. In 2008, approximately 60 percent of the Airport Authority's maintenance trades group were dual-ticketed or in the process of becoming dual-ticketed. Also in 2008, the Airport Authority supported apprenticeship training for 20 tradespersons and recruited five apprentices.

The Airport Authority maintains a target of 35 hours of training per employee on average during normal work hours each year. We also offer up to \$20,000 reimbursement on the successful completion of education programs outside of normal work hours.

All new managers participate in a management assessment program prior to being hired; information from this assessment is used to create personalized development plans. Managers have access to skills development training through both corporate training programs and departmental specific programs.

Among the other ways we facilitate employee training and education:

- Educational leave of absence
- Salary deferral to ensure an income during educational leave
- On-site department-specific training
- On-site training for desktop applications, corporate applications and productivity tools
- Day course/conference attendance during normal work hours
- Interest-free loans for computer purchases

AIRPORT AUTHORITY EMPLOYEE TRAINING

	2003	2004	2005	2007	2008
Total training hours (not including apprenticeship time)	17,745	13,450	16,264	18,244	20,585
Average training hours per full-time equivalent position (not including apprenticeship time)	55	41	45	48	49
Total apprenticeship hours	1,832	2,904	4,032	3,454	2400
Total training and apprenticeship hours	19,577	16,536	20,296	21,698	22,985
Average training/apprenticeship hours per full-time equivalent position	60	50	57	58	55



2008 RESULT: 49 hours of training per employee on average



2009 TARGET: 35 hours of training per employee on average

SEEKING FEEDBACK FROM OUR TEAM

Employees are one of our most valuable sources of information and we listen to what they have to say. We engaged an external training consultant to gain feedback from our team on our current training program and to develop a comprehensive three-year corporate training plan. The program was implemented in 2007, and we successfully completed the second year in 2008.

Another way to gain feedback and support career development is through the Airport Authority's CheckPoint performance review and career development process. CheckPoint is the Airport Authority's performance review tool to look at performance, acknowledge accomplishments and provide employees with coaching and training for their individual development. The process also seeks to align employee efforts and education with organizational plans.

In addition to our ongoing initiatives to support open communication, all-employee meetings are held thrice yearly and include updates from department managers and the executive committee on business results and organizational objectives. Employees are invited to ask questions, provide feedback and share information with other employees and the management team.



2008 RESULT: 89 percent of employees took part in at least one CheckPoint session with their manager.



2009 TARGET: 100 percent of employees take part in a performance review

RECOGNIZING AND REWARDING OUR PEOPLE

The success of our employees is critical to the success of our organization. The Airport Authority strongly believes in rewarding employees who, through their actions and achievements, have made an outstanding contribution to our collective success.

The Totem Awards is a recognition program whereby winners are nominated by their peers who exemplify corporate values in four key areas: achievement-driven and proactive; leading-edge service; teamwork and loyalty; and innovation and creativity.

Among the Airport Authority's other employee award and recognition programs:

- Service Awards to recognize employees' service milestones
- The Bravo Program, which gives managers the opportunity to recognize employees' accomplishments with cards and gift certificates
- The Suggestions That Achieve Results (STAR) program, awarding employees for suggestions that generate revenue or result in savings or other, non-financial improvements
- The annual President's Award for Safety Excellence, which encourages employees to make safety their top priority by recognizing a team's proactive safety habits
- Employee referral program which rewards employees with \$1000 if the Airport Authority hires their referral.

Health and Safety

The health and safety of our employees is one of the Airport Authority's top priorities. We adhere to the highest standards for employee health and work to build a safety-oriented workplace culture. Our health and safety initiatives include:

- A rigorous construction safety and asbestos monitoring program
- An employee-driven wellness program
- Annual Airport Authority-sponsored influenza vaccinations offered to employees and their families
- Regular hearing tests and custom-fit hearing protection for maintenance and airside employees
- Noise and indoor air quality tests for Airport Authority staff and tenant workplaces
- Strategies to address public health concerns, such as the West Nile, Norwalk, SARS virus and Pandemic Influenza

WELLNESS

The Airport Authority's Wellness Program, now in its seventh year, is an incentive-based program that promotes physical fitness, nutrition and wellness. Supporting various initiatives and health-related events for employees, the program is overseen by an employee-management Wellness Committee, and in 2008, saw more than 86 percent participation.

Also in 2008, the program sponsored an annual Airport Authority Sun Run team—the Vancouver Airport Authority Run-A-Ways—including running clinics, and provided on-site fitness activities and health and wellness education seminars, including a 10-week "boot camp," and "Lunch and Learn" sessions with topics ranging from nutrition to stress management.

EMPLOYEE AND FAMILY ASSISTANCE PROGRAM

The Employee and Family Assistance Program allows Airport Authority employees to access confidential, professional assessment, guidance and counselling for a broad range of personal and family issues.

A CULTURE OF SAFETY

Empowering employees to identify hazards in their workplace and to reduce the threat and occurrence of injuries and health problems in their daily work are key to a safe workplace. Our comprehensive safety initiatives extend beyond our employees to include tenants, construction contractors and major service providers, as well as travellers. These initiatives include:

- Submission of annual departmental safety goals and objectives
- A stringent contractor safety pre-qualification process and safety orientation for all construction contractors for the Airport Authority
- Ongoing facility public safety inspections
- Regular departmental safety inspections
- Employee-led training sessions on safe work practices
- A comprehensive computer-based safety training system for recurrent training, including new employee safety orientation, supervisor safety accountability modules, and disability awareness, to ensure key safety messages are received within days of a new person being hired
- Comprehensive job-related safety training, including a 40-hour safety orientation session for new trades maintenance employees
- Accurate and readily accessible health and safety information for all employees

As a result, we had no health and safety non-compliances from either Human Resources and Social Development Canada or WorkSafeBC in 2008.

To continually improve our health and safety initiatives, the Airport Authority holds regular meetings of employee, management and employer representatives. Committees meet on a regular basis and this practice continued in 2008. These committees include:

- The Joint Occupational Safety and Health Committee (JOSH) is made up of employee and employer representatives who work together to identify and resolve safety and health issues at the airport.
- The Policy Occupational Safety and Health Committee is a senior-level joint committee and is a mandated requirement of the Canada Labour Code for companies with over 300 employees. The Policy Committee participates in the development of occupational health and safety policies and programs.

LOST-TIME INJURIES

One of the ways we measure our health and safety performance is by tracking any injuries that occurred at work which resulted in an employee missing work. 2008 saw two lost-time injuries at YVR. Our target for each of these indicators is zero

AIRPORT AUTHORITY HEALTH AND SAFETY KEY PERFORMANCE INDICATORS (2003-2008)

	2003	2004	2005	2006	2007	2008
Lost-time injuries	2	4	2	5	3	2
Days lost due to injury	13	10	7	56	5	6
Frequency of lost-time injuries*	0.61	1.11	0.56	1.33	0.79	.48
Severity of lost-time injuries**	3.94	2.78	1.94	14.94	1.32	1.44

*Frequency rate = (number of time-loss injuries x 200,000) / person-hours worked

**Severity rate = (days lost x 200,000) / person-hours worked

Respect and Equality

WORKFORCE DIVERSITY

The Airport Authority wants a workforce that reflects the vibrancy and diversity of the communities we serve. We comply with the Employment Equity Act and take measures to ensure fair employment practices across our organization.

Passed in 1986, the Employment Equity Act covers four groups: women, aboriginal peoples, persons with disabilities and members of visible minorities. The purpose of the act is to certify that hiring practices are based on ability and merit, regardless of status.

The Airport Authority reports its workforce demographics to the federal government, showing how each of the designated groups is represented within various occupational classifications. Demographic data are taken from a survey supplied to each employee to complete voluntarily in confidence. As such, numbers are based upon employees' self-identification as a member of a designated group.

Numbers are reported in June of each year for the previous year; therefore, the most recent statistics available are from 2007.

AIRPORT AUTHORITY DEMOGRAPHICS VS. LABOUR MARKET DEMOGRAPHICS (2006-2007)

Designated Group	Airport Authority		Metro Vancouver/National Labour Market*	Underrepresented Groups	
	2006	2007		2006	2007
Women	33.2%	34.2%	30.2%	-	-
Aboriginal Peoples	1.1%	1.1%	1.3%	-0.2%	-0.2%
Persons with Disabilities	1.4%	1.1%	3.9%	-2.5%	-2.8%
Members of Visible Minorities	22.3%	23.0%	22.7%	-	-

*Information on women, aboriginal peoples and members of visible minorities in the labour market based on Metro Vancouver data collected through the 2001 census. Information on persons with disabilities in the labour market based on national data collected through the 2001 Participation Limitation Survey (PALS).

EMPLOYMENT EQUITY

Comprised of employees and managers from various departments, the Employment Equity Committee works closely with Human Resources on initiatives to raise awareness of diversity issues and extend opportunities in a fair and inclusive manner. The committee was re-established in September 2008 and met four times during the year. In 2008, Airport Authority representatives attend various workshops to gain insights and best practices with respect to employment equity, including:

- A Racism-Free Workplace workshop presented by Human Resources and Social Development Canada that outlined strategies to promote diversity and address potential discrimination in the workplace.
- An Enhancing Aboriginal and Social Employment and Purchasing Opportunities workshop presented by VANOC where ideas to increase Aboriginal recruitment, specifically as it relates to the 2010 Winter Games, were introduced.

- Understanding Cultural Differences, sponsored by Vancouver Airport Authority, looked at the impact of assumptions and stereotypes, while exploring strategies for bridging cultural differences.

On an ongoing basis, the Airport Authority addresses the issue of workplace diversity through:

- Distribution of all Airport Authority employment postings to a variety of outreach organizations in our community, such as YWCA Career Edge, the Asia Pacific Co-op, the B.C. Paraplegic Foundation, Immigrant Services Society, the International Association of Machinists Centre for Administering Rehabilitation and Employment Services, MOSAIC, the Musqueam Indian Band, the Neil Squire Foundation, Partners for Workplace Inclusion, the Greater Vancouver Business Leadership Network, the United Chinese Community Enrichment Services Society, United Native Nations, Western Institute of the Deaf, Women in Aviation, Aboriginal Inclusion Network, the Canadian Association of Professionals with Disabilities and WorkAble Solutions.
- Partnerships with the Aboriginal Inclusion Network and the Greater Vancouver Business Leadership Network (GVBLN). The Aboriginal Inclusion Network works to extend the reach of employers into the untapped Aboriginal talent pool. The GVBLN provides job opportunities for people with disabilities.

A RESPECTFUL WORKPLACE

The Airport Authority is committed to providing a respectful workplace where all employees are treated with dignity. The Airport Authority strives to raise awareness and encourage understanding of human rights issues through ongoing training covering topics such as *Respect in the Workplace*, *The Barrier-Free Workplace*, *Hiring Skills for Managers*, *Interview Skills for Candidates* and *Understanding Cultural Differences*.

Every new employee receives *Respect in the Workplace* training as part of the Airport Authority's new employee orientation program; 87 percent of existing employees received training to better understand respect in the Workplace issues in 2007.

THE ACCESSIBLE AIRPORT

The Airport Authority is a world leader in creating accessible air terminal facilities. We have a facilities design policy that specifies the highest applicable building code requirements with respect to access for people with disabilities, and we utilize an independent access consultant to review all new construction and retail projects.

Throughout the terminals, low-pile carpets, high-contrast pathways, check-in service and writing counters with toe clearance, and specially designed unisex washrooms make it easier for passengers in wheelchairs to navigate.

Visual paging, amplified volume-controlled handsets at all airline check-in and service counters, and public TTY/TTD (Telecommunications Device for the Deaf) machines assist passengers who are deaf or hard of hearing. Closed captioning decoders are included on all entertainment televisions in the facility and, in case of emergencies, the Airport Authority uses visual fire alarm strobes in public areas and washroom facilities.

Passengers with visual impairments can use tactile maps of terminal areas, available at our customer service counters. The Airport Authority also makes use of distinct and consistent floor treatments to identify locations within the terminals.

Our Communities

The Airport Authority continued to focus its giving in three main areas in 2008: family and communities, First Nations culture and heritage, and supporting employee-driven giving initiatives. An online application system, implemented in 2007, provides a central portal for requests and allows improved tracking of our community investment. Driven by guidelines and criteria, the Airport Authority provides support in the form of donations, sponsorships and gifts-in-kind. A target of approximately one per cent of excess revenue over expenses was established for community investment contributions, including in-kind, which we will seek to meet in coming years.

In 2008, the Airport Authority provided \$504,000 to 78 charities or community organizations through our community investment program, and contributed an estimated \$56,000 of in-kind donations to 35 organizations. The total amount of contributions in 2008 was approximately 0.7 percent of our excess of revenue over expenses.

Major contributions include BC Creative Achievements Awards for Aboriginal Art, HSBC Celebration of Light fireworks festival, an employee-driven United Way campaign and YVR Golf for Kids tournament and auction. The 2008 employee-driven United Way campaign raised more than \$86,000 which was matched by the Airport Authority for a total of \$172,806.

Other initiatives supported are the Bill Reid Foundation, Tree Canada, Vancouver Aquarium's touring AquaVan program, Vancouver Opera In Schools, Richmond Community Foundation's Winter Festival and the CKNW Orphans' Fund through our annual Christmas tree decorating contest.

2008 also saw improved facilities for the Airport Authority's post-security coin collection program. We installed nine new highly visible coin collection kiosks throughout the domestic and international terminals to encourage passengers to donate loose change to charity. As a result, \$14,000 was distributed to local, non-profit groups including Burns Bog Society, Covenant House, Musqueam Ecosystem Conversation Society and Richmond Centre for Disability.

Connecting with our Communities

The Airport Authority is committed to engaging our stakeholders and providing open, honest and timely communications.

Being a good neighbour means keeping business partners and surrounding communities informed about airport operations and activities that affect them. We do this in a number of ways, including *YVR Air Mail* and *Skytalk* publications, presentations to municipal councils and community groups, our speakers bureau program, timely responses to public and media enquiries and through our website.

Making ourselves available to answer questions and receive feedback is another way we connect with our communities. Attending local community festivals during the summer months provides an opportunity to answer questions from the community and distribute publications. As well, our

Annual Public Meeting and many of our speaking engagements include a question and answer period.

As part of our public consultation activities, each year we undertake a community survey, conducted and compiled by an external consultant. The survey explores attitudes and opinions on overall impressions of the airport and the Airport Authority, the impact YVR has on the community, quality of customer service, and current initiatives, such as airport expansion. It also seeks recommendations for improving services and communications.

In 2008, overall impressions of YVR were positive, with approximately 71 percent of Metro Vancouver residents giving the airport a rating of 4 out of 5 or higher.

OVERALL IMPRESSION OF YVR (1998-2008)

Year	Percentage giving a rating of 4/5 or 5/5
1999	74
2000	75
2001	76
2002	74
2003	77
2004	80
2005	82
2006	77
2007	61
2008	71

Employees in the Community

The Airport Authority’s president, vice presidents and members of our management team lend their time and expertise to more than three dozen boards, task forces and committees. Many of our employees are volunteers and we support their efforts as coaches, canvassers and fundraisers in the community. Through their participation they serve the community and advocate for change to benefit the industry, region and province.

Our own volunteers, the Green Coats, continue to act as goodwill ambassadors, helping visitors navigate the airport by providing directions, information and translation services. In 2008, YVR’s 223 Green Coats contributed approximately 33,500 hours of volunteer service. Between them, our Green Coat ambassadors speak more than 20 languages.

In 2008, Airport Authority representatives served on the following Boards, councils, associations or committees:

- Airports Council International
- Asia-Pacific Foundation
- B.C. Aviation Council
- B.C. Chamber of Commerce
- B.C. Guangdong Business Council
- Bell 2010 Business Advisory Committee

- British Columbia Institute of Technology Airport Operations Program Advisory Board
- Business Council of B.C.
- Canada Line Co.
- Canada-China Business Council
- Canada-India Business Council
- Canadian Airports Council
- Canadian Chamber of Commerce
- Canadian International Freight Forwarders Association
- Canadian Registration Board of Occupational Hygienists
- Chief Information Officers Association of B.C.
- Construction Industry Training Organization Board
- Council of Tourism Associations
- Fraser Basin Council
- Greater Vancouver Economic Council
- Greater Vancouver Gateway Council
- Hong Kong-Canada Business Association
- International Air Transport Association
- International Association of Airport Executives of Canada
- Minister's Council for Employment of Persons with Disabilities
- Pacific Asia Travel Association
- Pacific Rim Cruise Association
- Providence Health Care Committee of Advisors Legacy Project
- Provincial Capital Program Board (Ministry of Transportation)
- Richmond 2010 Olympic Oval Project Building Committee
- Richmond Chamber of Commerce
- Richmond Economic Development Advisory Committee
- Richmond Gateway Theatre Society
- Richmond Hospital Foundation
- Richmond Olympic Business Advisory Committee
- The International Air Cargo Association
- Tourism B.C.
- Tourism Industry Association of Canada
- Tourism Richmond
- Tourism Vancouver
- Urban Development Institute
- Vancouver Board of Trade
- Vancouver Organizing Committee for the 2010 Olympic and Paralympic Winter Games (VANOC) Transportation Advisory Committee
- Volunteer Richmond
- Whistler 2020 Sustainability Task Force
- Whistler 2020 Transportation Task Force

