

# YVR Annual Update 2022

## Vancouver Airport Authority presentation to the City of Vancouver

June 14, 2023

### SUMMARY

On June 14, 2023, YVR President and CEO Tamara Vrooman and Director of Government Relations Trevor Boudreau will present an annual update to the Standing Committee on City Finance and Services. Ms. Vrooman and Mr. Boudreau will also be joined by the City of Vancouver's nominee to the YVR Board of Directors, Corey Sue. This report provides detailed updates on topics we believe are of interest to council and Vancouver residents. Ms. Vrooman and Mr. Boudreau will elaborate on report topics during the presentation and welcome the opportunity to answer questions and discuss issues that are important to the community.

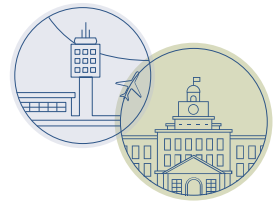
### 2022 HIGHLIGHTS

In 2022, Vancouver Airport Authority made progress in implementing its [three-year strategic plan](#) and focused on reconceptualizing the airport as a diversified hub.

1. **Beyond COVID:** YVR welcomed the removal of COVID-19 measures for air travel.
2. **Climate – Net Zero by 2030:** YVR achieved the highest level of airport carbon accreditation and began a partnership with the Ports of Seattle and Portland on decarbonizing aviation.
3. **Gateway to the New Economy:** YVR is opening more industrial land and creating new economic opportunities on Sea Island, investing in digitization and data to improve our operations and advance our climate action goals.
4. **Strengthening the Core:** 61% of our capital expenditures were dedicated to projects ensuring our assets are in a state of good repair.
5. **Purpose Through People:** YVR significantly increased our workforce—hiring more than 100 new frontline workers and becoming a [Certified Living Wage Employer](#).
6. **Financial Sustainability:** we implemented the first year of our plans to diversify our revenue streams. As of 2022, airport operations are no longer funded through debt.

Last year, YVR saw a record increase in passengers with a 168% surge in daily volumes between January and August 2022. We welcomed new airline partners and added new routes—connecting the region with more domestic and international markets.

In December, air travel across North America was heavily impacted by severe winter storms. YVR operations were not immune. Travellers experienced extensive flight delays, cancellations, and tarmac



delays. We are currently undertaking an after-action review and public engagement, the results of which will be released in April 2023.

## SUPPORTING AIR TRAVELLERS

After nearly three years of lockdowns and travel restrictions, air travellers came back in a big way in 2022. YVR took unprecedented action to support passengers as the global aviation industry struggled due to staffing challenges, supply chain disruptions, and ongoing travel restrictions in certain markets such as Asia:

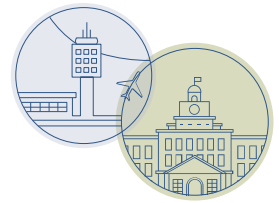
- YVR implemented our Summer Readiness Program ahead of summer travel and collaborated with partners to manage the busy season. We hired more than 100 new front-line workers and put new digital tools in the hands of workers to support passengers. And we launched our “X Team” program where 150+ YVR staff volunteered thousands of extra hours to support people.
- The YVR EXPRESS program launched in October to balance the flow of passengers through screening at YVR. The program is helping reduce wait times for security checkpoints and create a more predictable experience for travellers.
- In December 2022, YVR supported travellers impacted by weather-related delays and cancellations. We mobilized our staff and resources to provide food, water, hygiene products, and baby formula. YVR paid for more than 400 hotel rooms for up to four nights for 580 passengers—and we set up a care and comfort area in the airport for people to recharge, with cots, blankets, and access to showers.

YVR launched an after-action review with KPMG and Arup to gather input from airlines, partners, suppliers, and employees. A public engagement is also being conducted to gather input from travellers. Results and recommendations to enhance the travel experience will be shared in Spring 2023. In the meantime, measures have been implemented to prevent similar situations, including better communication and coordination with airlines.

## AIRSPACE MODERNIZATION

NAV CANADA—the organization responsible for helping aircraft safely navigate Canadian airspace—is undertaking the [Vancouver Airspace Modernization Project](#), which focuses on improving and sustaining the safety of aircraft operations in the Greater Vancouver Region and Southern Vancouver Island using modern navigation technologies to anticipate future growth while reducing environmental impact.

NAV CANADA’s most recent public engagement activities included public information sessions and briefings with local government staff and officials. Meetings were held between December 2022 to February 2023. NAV CANADA is currently reviewing the community feedback and will release a report with recommendations, including potential adjustments to its proposal, in the coming months.



## PROGRESS ON YVR'S 2022-2024 STRATEGIC PLAN

In the first year implementing the Strategic Plan, we have made significant progress in our six strategic streams:

### BEYOND COVID

In 2022, YVR welcomed the removal of all remaining COVID-19 measures for air travel. The elimination of these measures removed a significant deterrent to travel and will help rebuild Canada's \$102 billion tourism and travel sector, in turn supporting travel and hospitality workers. At YVR, we saw a 168% increase in passenger volumes from January to August 2022.

### CLIMATE - NET ZERO BY 2030

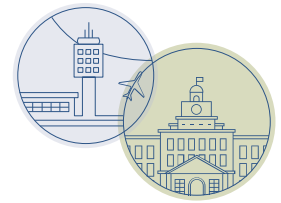
YVR's [Roadmap to Net Zero Carbon 2030](#)—launched in October 2021—lays out our plan to meet our climate action commitments in less than 10 years. In 2022, we achieved Level 4+ Airport Carbon Accreditation, as awarded by Airports Council International. YVR is the first airport in Canada and only one of three in North America to achieve this status. To ensure our climate efforts go beyond YVR, we also [partnered with the Ports of Seattle and Portland](#) to collaborate and cooperate on actions to decarbonize aviation. The partnership focuses on four strategic areas: sustainable aviation fuels, airport facilities, airport operations, and vehicle electrification.

With more than 95% of airport emissions related to aircraft movements, vehicle traffic, and non-Airport Authority buildings, we are super-sizing our influence to enable the reductions of all emissions. This includes supporting BC's progressive low-carbon fuel policy work and championing the development of a domestic supply chain of sustainable aviation fuel to position BC and YVR as Canada's first "bioport" for sustainable fuels. Going forward, we will continue to implement our Roadmap to Net Zero 2030 to meet our obligations to combat climate change by driving down our emissions, while working further with government and industry partners to support the decarbonization of the aviation sector.

### GATEWAY TO THE NEW ECONOMY

YVR is in a unique position to be a gateway for regional economic development and has the tremendous opportunity to grow air cargo and logistics in support of BC's strong economic recovery. To pursue this, we are opening 400 under-utilized acres of Sea Island for industrial and commercial developments. YVR is also making investments to rehabilitate airside infrastructure for future air cargo expansion. And we are piloting digital solutions to improve efficiency and visibility in aviation supply chains. This will improve YVR's competitiveness as a cargo gateway, positioning us well for potential digital trade lanes with other strategic destinations.

Our community expects us to be leaders and trailblazers for change and innovation. So, in March 2022, YVR [launched its Digital Twin Platform](#). It is the first major marker out of YVR's Innovation Hub and will transform how the airport serves employees, passengers, and the community. YVR's Digital Twin is a virtual, real-time representation of the airport that allows for training, optimization, and simulation. It is used by frontline workers to monitor the terminal and adjust staffing in real time. We are also exploring



partnerships to track pollution from aircraft movements and improve operational efficiency while supporting our climate goals.

### **STRENGTHENING THE CORE**

We are optimizing our operations to increase efficiency, including our asset management program, our airside infrastructure, and our terminal infrastructure. In 2022, we spent \$164 million on state of good repair projects, which represented approximately 61% of our capital expenditures. This ensures that we continue to realize value from our investments, and that we achieve an optimal balance between costs, risks, level of service, and sustainability.

### **PURPOSE THROUGH PEOPLE**

As YVR is operated in service of our communities and the public interest, we are keenly aware of the rising cost of living in Metro Vancouver, which is creating real barriers to hiring and retaining workers. Therefore, in 2022, Vancouver Airport Authority became certified as a Living Wage Employer by Living Wage for Families BC, meeting our goal in the Strategic Plan. We continue to build a strong culture of diversity, inclusion and belonging at the Airport Authority and across the YVR community of employers. As a people-centred business, YVR remains committed to making our community and local economy stronger and healthier.

### **MUSQUEAM – YVR**

YVR and Musqueam are collaborating to create new pathways from education to employment, increase Indigenous business and procurement opportunities, and tackle climate change. In 2022, we increased Indigenous hiring, economic partnerships, joint ventures, and Indigenous procurement considerations across YVR’s supply chain.

Since the signing of our historic Musqueam Indian Band–YVR Airport Sustainability and Friendship Agreement in 2017, YVR has also made great strides in incorporating Musqueam cultural protocols throughout our business and operations. In the summer, we raised a Musqueam welcome figure outside of YVR’s international arrivals area, as a correction to align with cultural protocol. This placement is significant as it provides a traditional Musqueam welcome to the millions of people who visit our community each year.

### **FINANCIAL SUSTAINABILITY**

Before COVID, 90% of our revenues were passenger-related. In 2021, low passenger volumes from the pandemic required YVR airport operations to be partially funded through debt. Passenger volumes in 2022 have improved, allowing for operations to be fully funded through operating cash flows. Capital investments in infrastructure continue to be supplemented by debt proceeds from 2020.

### **CONCLUSION**

YVR is committed to serving the community and supporting our region’s strong economic recovery. We will focus on improving our efficiency, passenger experience, and meeting our climate commitments, while working with government, community, and the Musqueam Indian Band for a sustainable future.