



PORTS TORONTO

ANNUAL INTEGRATED REPORT 2024

PEOPLE | PLANET | PURPOSE



PEOPLE.

PLANET.

PURPOSE.

PORTS
TORONTO

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207 Queens Quay West, Suite 500,
Toronto. ON. M5J 1A7

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

Canada

For more information on this report please contact:

PortsToronto
Communications and Public Affairs
Department
207 Queens Quay West, Suite 500,
Toronto. ON. M5J 1A7
Phone: 416 863 2075
E-mail: communications@portstoronto.com



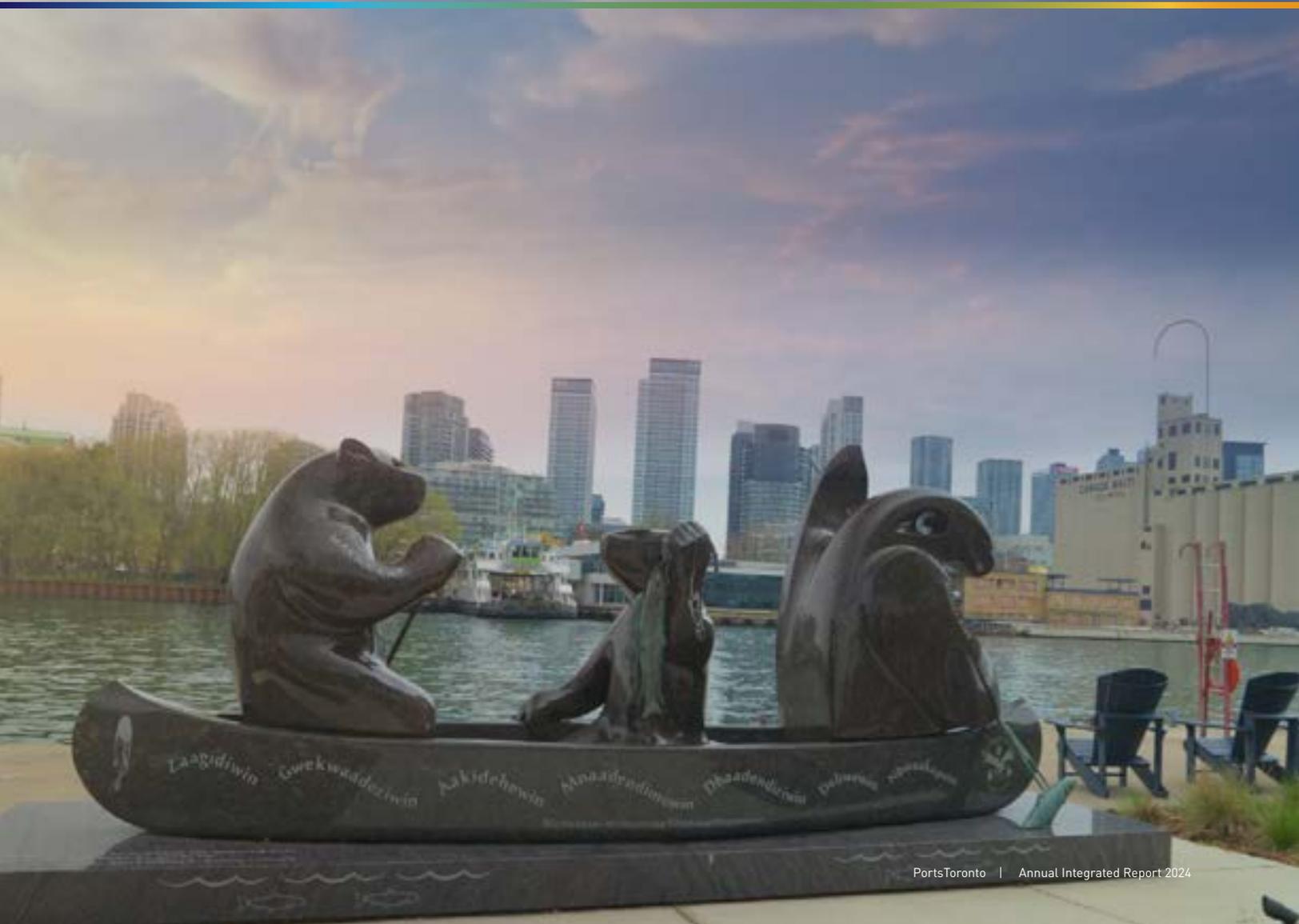
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LAND ACKNOWLEDGEMENT

PortsToronto operates under its mandate on the traditional territory of many nations, including the Mississaugas of the Credit, the Anishnabeg, the Chippewa, the Haudenosaunee and the Wendat peoples, which is now home to many diverse First Nations, Inuit and Métis peoples. PortsToronto recognizes that Toronto is covered by Treaty 13 signed with the Mississaugas of the Credit First Nation in 1805. We are grateful to have the opportunity to operate PortsToronto on their territory.



MESSAGE FROM BOARD CHAIR

Welcome to PortsToronto's 2024 Annual Integrated Report – a report that combines an environmental, social and governance framework to provide an overview of the organization's performance on a range of metrics including financial. I am proud to be writing this message as the newly elected Chair of the Board of Directors, having succeeded Sandra Papatello in March 2025 following her appointment to the Senate of Canada.

I was first appointed to PortsToronto's Board of Directors by the provincial government in May 2023. In the time since, I have proudly served on this Board to guide the success of the organization and entrench PortsToronto as a city builder, economic driver and essential component of the local, regional and national transportation network.

I come to the Board after a long career in public service having served as the Progressive Conservative Member of Provincial Parliament (MPP) for Burlington from 2011 to 2014, and again from 2018 to 2022. I have held roles as Government Critic for Economic Development, Trade and Employment, Government Services and Children and Youth Services. I also served as Parliamentary Assistant to the Minister of Labour, Training and Skills Development, and later as Associate Minister of Children and Women's Issues.

The roles I have held both in government, and as the owner of my own consulting firm, have positioned me well for the opportunities and challenges ahead, and I look forward to continuing the Board's focus on investment, innovation and community partnership through my leadership.

With more than 110 years on Toronto's waterfront, PortsToronto has long diversified its operations with a blend of industrial uses, through the Port of Toronto; commercial uses, through Billy Bishop Toronto City Airport; and recreational uses, through the Outer Harbour Marina. This diversification has served us well over the years and enabled us to leverage market opportunities and overcome the challenges of any given year. In 2024, the opportunities were many and the challenges were few. However, as we enter 2025 and the political uncertainty south of the border, we must continue to leverage the advantages of diversified business operations in order to secure our role as an economic driver and continue to make investments in infrastructure, community and sustainability.

The diversification of PortsToronto makes the organization unique among its counterparts in the aviation and marine industries, and has also set the organization up for success. And whether it is passengers travelling through Billy Bishop Toronto City Airport and the cruise ship terminal in the port lands; boaters cruising through the harbour from the Outer Harbour Marina; or sugar, salt and aggregate coming through the port, PortsToronto is a strong engine that can support and invigorate the City of Toronto and surrounding region and invest in important areas such as infrastructure and the environment.

Importantly, this engine is powered by our team. I would like to thank the talented and committed Board members who serve the organization.



MESSAGE FROM BOARD CHAIR

In particular, I would like to recognize Sandra Papatello who joined PortsToronto's Board in 2023, assumed the role of Chair in 2024, and set in place a vision and framework based in collaboration and innovation that will serve us well. We wish her success in her new role as a Canadian Senator and thank her for her commitment to PortsToronto over the last few years.

I would also like to commend the talented and dedicated PortsToronto management team and employees for their commitment to this organization and congratulate everyone on a successful 2024.

Finally, I would also like to thank our stakeholders and community partners, as well as our government partners, especially Transport Canada, the City of Toronto and the provincial and federal governments.

The last year involved consistent collaboration with our government partners on many files, not the least of which was efforts to reach an agreement to extend the term of Billy Bishop Toronto City Airport to enable the financing and construction of Runway End Safety Areas (RESA). We sincerely appreciate the recognition of the importance of the airport and the partnership involved in securing the terms necessary to ensure its future.

As we look to the year ahead and navigate the headwinds and tailwinds of 2025, I have confidence in the team we have and the businesses we operate to ensure another successful year for the organization.



Jane McKenna
Chair
PortsToronto



MESSAGE FROM PRESIDENT & CEO

Welcome to PortsToronto's 2024 Annual Integrated Report, a reflection and reporting of the milestones and achievements that have defined the past year for PortsToronto. In the pages that follow, we have detailed PortsToronto's 2024 performance in a variety of areas, including financial, using an environmental, social and governance framework. This new approach is in keeping with best practices in corporate disclosure and reflects our commitment to a variety of priorities that include financial metrics but also environmental sustainability, community investment, and good governance.

PortsToronto has long played a part in the economic and social fabric of Toronto and the surrounding region. With a history that stretches back more than 110 years, PortsToronto has continually made significant and material contributions to the transportation infrastructure that facilitates the movement of goods and people throughout the region and country. The achievements have been many. From helping to construct the waterfront we enjoy today by infilling the area south of Lake Shore Boulevard to building Billy Bishop Toronto City Airport in 1939. Investing in modern infrastructure such as the pedestrian tunnel to the airport and collaborating with municipal leadership on the rehabilitation of the Ship Channel Bridge. Focusing on sustainability and introducing the first all-electric ferry in Canada to pioneering an incredibly successful Trash Trapping Program for the Toronto harbour. Throughout our history, PortsToronto has driven progress, innovation and connectivity and this approach was evident throughout the past year.

PortsToronto has long brought a mindset of innovation that has helped us navigate the challenges and opportunities. In 2024, we further built on our commitment to pioneering new solutions through a

strategic partnership with Plug and Play, a leading global innovation platform based in Silicon Valley. Through this partnership, PortsToronto will tap into Plug and Play's resources to accelerate our digital transformation journey and deliver bold solutions for connectivity, convenience, and economic opportunity.

PortsToronto had a strong year in 2024. Financially, PortsToronto generated net income of \$17 million, an improvement of \$7.7 million as compared to the same period in 2023. Earnings before interest, financing costs and amortization (EBITDA) in 2024 increased to \$29.0 million representing a 6.6 per cent increase over 2023.

The organization also made excellent progress on key priorities across the business. Specific to Billy Bishop Toronto City Airport, PortsToronto worked closely with its Tripartite Agreement partners, City of Toronto and Transport Canada, to progress discussions that would, in January 2025, lead to an amending agreement that extends the term of the airport to 2045. This amending agreement also enables the financing and construction of Runway End Safety Areas (RESA) that are required for additional safety at airports in Canada and around the world.

Together with our terminal partner, Nieuport Aviation Infrastructure Partners, PortsToronto also made progress on the US Customs and Preclearance Facility. This facility will not only improve cross-border security measures using advances in technology, but also enhance the passenger experience by enabling Canadian citizens to clear customs on home soil. This will have a positive impact on the city in terms of GDP, generating jobs, and attracting talent and investment. It also sets up the City of Toronto well to host FIFA World Cup 2026.



MESSAGE FROM PRESIDENT & CEO

Securing the future of Billy Bishop Toronto City Airport is essential and excellent progress was made in this regard in 2024. The airport supports trade and tourism by connecting Toronto to global markets such as New York City, Ottawa, Chicago, Montreal, Washington DC and Boston. It supports the health of Ontarians by providing a base for Ornge Medevac services to facilitate urgent patient care. And the airport generates revenue and provides jobs for the region, while also investing in the community to build infrastructure and support charitable organizations. Billy Bishop Airport plays an integral role in servicing Toronto and contributing to what makes this city world class.

The marine Port of Toronto is also an essential component to the city's transportation infrastructure – connecting Toronto to the world. The Port had a successful year in 2024 as the supply chain continued to be an area of focus for governments at all levels. The Port of Toronto is a reliable, sustainable trade gateway that imports millions of tonnes of goods each year that our city needs to continue to thrive. From the cement needed to supply our construction industry to the sugar needed for the country's food sector, the port is a reliable, sustainable and integral asset to the city and region.

More than 170 cargo ships visited the Port of Toronto in 2024, delivering a range of bulk, project and general cargo products totalling more than two million metric tonnes. Over and above the Port of Toronto's significant economic impact, the cargo delivered to the Port by ship last year took approximately 51,000 40-tonne trucks off Toronto's congested roads and highways.

An independent report entitled *Economic Impacts of Marine Shipping in the Port of Toronto* published in September 2023 by *Martin Associates* confirms that marine cargo handled at the Port of Toronto generated \$463.5 million in economic activity and 1,989 jobs in Ontario in 2022.

This study focused exclusively on the cargo component of the Port of Toronto's operation and did not include the Port's full diversity of uses, which includes its Cruise Ship Terminal.

The Port of Toronto is a popular Great Lakes cruising port of call and in 2024 welcomed 34 cruise ships and nearly 18,000 passengers. Cruise the Great Lakes, an initiative led by the Conference of Great Lakes Governors and Premiers, indicated that cruising in the Great Lakes generated an economic value of over \$200 million USD to the region's Ports and communities in 2024.

In addition to traditional port uses, PortsToronto leases two of its Marine Terminals to Cinespace, which in turn provides production facilities for film and television companies such as Netflix. This activity supports Toronto's \$2 billion film industry, much of which is concentrated in the port lands area.

A bit further east, the Outer Harbour Marina continued to experience strong and positive results in 2024. Demand for winter storage remained strong in the 2024-2025 winter season, as did summer berthing renewals. Over the 2024 season, marina clients enjoyed new amenities and upgrades and we were pleased with the results of a fall customer satisfaction survey which showed 91 per cent of respondents were satisfied with their experience at Outer Harbour Marina.

These achievements and strong revenues across all our business units resulted in \$8.5 million in payments to various levels of governments made up of \$4.9 million to the City of Toronto in the form of \$2.5 million in Payments in Lieu of Taxes (PILTs) and generating \$2.4 million in property taxes in addition to \$3.6 million paid to the Federal Government in the form of Gross Revenue Charge in 2024.



MESSAGE FROM PRESIDENT & CEO

Our business success also supports our community investment and ESG programs which include investment in sustainability initiatives geared at reducing our impact, cleaning our waterways, and reducing air and noise emissions.

In 2024 we progressed our value creation journey, with the formalization of our first ever ESG strategy. Drawing from our vision of 'Transportation Reimagined', it highlights the dimensions of holistic value creation and the enablers that can help us deliver on them. Along with other Canadian Port Authorities, we also turned to the United Nations Sustainable Development Goals, to identify the goals and targets on which our organization makes the greatest impact, and initiated measures to amplify our contribution to global prosperity.

We also moved forward in our efforts to align with the best practices defined by leading performance standards and frameworks. Billy Bishop Toronto City Airport, named the best airport in Canada this year by Airhelp's annual Score Report, also entered the Airport Carbon Accreditation program at Level 1 in 2024. Airport Carbon Accreditation is the only institutionally endorsed, global carbon management certification program for airports, and we are honoured to have received an accreditation that recognizes our GHG measurement and management efforts. This information is also feeding into our net zero roadmap, which will identify the capital and operational investments that will help our business units achieve net zero emissions by 2050.

This year also saw us take a step forward in our climate risk adaptation capabilities, through a detailed climate scenario analysis, which has helped us identify key risks and their likelihood and impacts in different warming scenarios. In addition, we resumed dredging in the Toronto Harbour, which will help build resilience to flood risks by removing 30,000 to 60,000 m³ of sediment from the Keating Channel.

In 2024 PortsToronto continued to work with its partners at University of Toronto to support existing programs such as the Trash Trapping Program which utilizes a network of trash traps (WasteSharks, Seabins, LittaTraps) to capture and divert more than 600 kg of microplastics and non-organic debris from the waters of Lake Ontario. This includes items such as plastic pellets, pieces of foam from food containers and construction activities, plastic bottle caps, cigarette butts and more than 100,000 small pieces of plastic.

Finally, community investment is a significant component of our ESG efforts and consists of support for many organizations including Hope Air, the Waterfront Neighbourhood Centre, Aloha Toronto, Redpath Waterfront Festival, The Bentway and Swim Drink Fish. We also hosted two landmark events intended to invite the community to learn more about what we do. Doors Open Toronto, which welcomed more than 12,000 visitors, gave people an opportunity to go behind-the-scenes at YTZ, and learn more about its operations and rich history. Billy Bishop Toronto City Airport also hosted our inaugural Girls Take Flight, which allowed over 3,700 women, girls and underrepresented groups to explore careers in aviation and aerospace at a one-of-its-kind event.

Our commitment to communities is also reflected in the work we do to maintain and enhance critical infrastructure. In the reporting year, we launched a number of accessibility initiatives that will make our business units and organization more welcoming, inclusive and accessible, allowing us to better serve people across the spectrum of ability. Billy Bishop Toronto City Airport is also a member of the Hidden Disabilities Sunflower program, which ensures individuals with invisible disabilities get the time and support they need during their travels in a discreet manner.



MESSAGE FROM PRESIDENT & CEO

As an organization, PortsToronto has always thought of its impact and value holistically. We seek to understand and address the needs of our stakeholders through everything we do – ranging from our community engagement efforts and ESG strategy to our day-to-day operations. This year, we aspire to advance this holistic approach by presenting our first ever annual integrated report, which offers a comprehensive view of our performance in 2024 on the financial as well as non-financial dimensions.

I would like to thank PortsToronto's employees who are integral to the continued success of our organization. I would also like to recognize our Board of Directors who have provided counsel and guidance to ensure our organization is well positioned to continue to make a positive impact.

I would like to thank our former Board Chair, Sandra Papatello, who retired from the Board this past March following her appointment to the Canadian Senate. I would like to welcome our new Chair, Jane McKenna, who has served on our Board for the last two years and will share her considerable experience and expertise with the organization in the years ahead.

I would also like to acknowledge our stakeholders and business partners including City of Toronto staff and elected officials; the team at Transport Canada; airport partners such as Porter Airlines, Air Canada, Nieuport and Stolport; city builders and agencies such as Waterfront Toronto, Toronto and Region Conservation Authority (TRCA), CreateTO, and WBIA and the Mississaugas of the Credit First Nation.

With a history that spans more than a century, PortsToronto as an organization has survived two world wars, a global pandemic, numerous economic downturns and a variety of natural disasters. We have also witnessed the dawn of technology, the evolution of aviation, and the advent of far-reaching social reforms.

Through it all PortsToronto has overcome challenges and optimized opportunities to ensure our business endures and grows stronger. The year 2024 was a year of relative stability as the upheaval of the pandemic became an ever-more distant memory. With the political uncertainties of 2025 now upon us, PortsToronto will do what it has always done – batten down the hatches and weather the storm. It will do this with its strong financial base and a commitment to deliver on its mandate and respond to the challenges and opportunities to serve the community and country in which it operates.



RJ Steenstra
PortsToronto President and CEO



ABOUT THIS REPORT

PortsToronto's vision - '**Transportation Reimagined**' - calls for transformative change, reflective of our determination to support and enhance the economy, protect the environment and preserve a high quality of life across our region. We recognize that these commitments go hand in hand to drive progress towards an equitable, sustainable and prosperous future. Our first annual integrated report builds on our commitment to considering our impacts, strategy and actions in a holistic manner and presents our financial and ESG performance for 2024.

This report details performance for PortsToronto's business units - Billy Bishop Toronto City Airport, the marine Port of Toronto and the Outer Harbour Marina, in addition to our real estate holdings and corporate office in Toronto. It presents our financial statements under the International Financial Reporting Standards (IFRS), and our non-financial performance in line with the Global Reporting Initiative's (GRI) Standards. We also draw on the guiding principles outlined in the Integrated Reporting (IR) framework to showcase our overall value creation.

The topics featured in this report have been deemed by PortsToronto's key stakeholders to be of high and very high importance to the organization through a formal stakeholder engagement and materiality assessment process. The disclosures herein highlight our performance between January 1 and December 31, 2024, with previous years' performance noted for comparison, where specified.

This report and the disclosures herein have been prepared in collaboration with the organization's key internal stakeholders. The financial statements have been independently audited by Deloitte LLP in accordance with IFRS Accounting Standards as issued by the International Accounting Standards Board ("IASB"). Reasonable assurance has also been sought on the Green Electricity Certificates (GECs) acquired by Bullfrog Power, our renewable energy provider. We welcome feedback and queries related to this report, which can be sent directly to communications@portstoronto.com.

PEOPLE.
PLANET.
PURPOSE.

"Integrated reporting is not merely a framework, but a reflection of our commitment to responsible business practices. As we mark the tenth year of our ESG reporting journey, our transition to integrated reporting reflects our belief that sustainability and business success are deeply interconnected. Our inaugural integrated report seeks to provide a comprehensive view of our operations, and our efforts to create value on the triple bottom line."

- Juhi Matta, Senior Manager, Environment, Social and Governance



2024 HIGHLIGHTS



\$81.3 MILLION

Consolidated revenue, up from \$71.1 million in 2023



\$29 MILLION

Consolidated earnings before interest, taxes, depreciation and amortization (EBITDA)



18,000

Passengers welcomed to Toronto on 34 cruise ships



\$1 MILLION+

Community investment



2 MILLION+

Passengers served by Billy Bishop Toronto City Airport in 2024



\$19.7 MILLION

Capital investment in property and equipment, up from \$13 million in 2023



Billy Bishop Toronto City Airport named Canada's Best Airport in 2024 AirHelp Score Report



airport carbon accredited

Airport Carbon Accreditation Level 1 achieved

**PEOPLE.
PLANET.
PURPOSE.**



642 KG

Anthropogenic debris diverted from Lake Ontario through Trash Trapping Program



11.20 tCO₂e

Direct (Scope 1 and 2) GHG emissions per full-time employee



88 PER CENT

Staff that feel pride in working at PortsToronto



55 PER CENT

Passengers that walk, bike, take the shuttle or public transport from the airport



4,741

Medevac flights operated by Ornge's base at YTZ



2,500+

Hours of training imparted to our staff



2 MILLION METRIC TONNES

Cargo delivered to the port, taking approximately 51,000 40-tonne trucks off the road



92 PER CENT

Customer satisfaction rate for Outer Harbour Marina staff

ABOUT PORTSTORONTO

For more than 110 years, PortsToronto has played an essential role in shaping Toronto into the vibrant city it is today, acting as a city builder, an innovator, a connector, a protector, a collaborator and an economic driver.

PortsToronto's vision of 'Transportation Reimagined' reflects our enduring and multifaceted commitment to the communities in which we live and work. Our vision calls for transformative change and helps us drive progress on our mission of delivering bold solutions for connectivity, economic opportunity and quality of life. We strive to foster strong, healthy and sustainable communities, and have invested over \$30 million since 2009 in charitable initiatives and environmental programs that benefit communities along Toronto's waterfront and beyond.

PortsToronto owns and operates Billy Bishop Toronto City Airport, which welcomes approximately two million passengers each year; the Outer Harbour Marina, one of Canada's largest freshwater marinas; and Marine Terminal 52, which provides transportation, distribution, storage and container services to businesses at the Port of Toronto.

OUR VISION

Transportation Reimagined.

OUR PURPOSE

Deliver bold solutions for connectivity, economic opportunity and quality of life.

Bold Solutions highlights PortsToronto's determination to go beyond conventional approaches and demonstrates a willingness to innovate and address complex challenges directly.

Connectivity underscores our role as a critical link between Canada's largest city, our waterfront, and the broader transportation network in which PortsToronto has always played a major part.

Economic Opportunity reflects PortsToronto's dedication to driving local, regional, and national prosperity.

Quality of Life speaks to our holistic approach to PortsToronto's impact on the city.

OUR VALUES



BILLY BISHOP TORONTO CITY AIRPORT

Since it opened in 1939, Billy Bishop Toronto City Airport has established itself as a world-class, award-winning airport, providing two million passengers with convenient access into and out of Canada's largest city each year. Located on Toronto Island, just minutes from downtown, Billy Bishop Toronto City Airport offers service to more than 20 cities in Canada and the U.S., with connection opportunities to more than 100 international destinations via our airlines' networks. An essential transportation gateway that facilitates tourism, trade and resident connectivity in the City of Toronto, the airport will offer US Preclearance in 2025, as mentioned earlier, a distinct advantage for U.S.-bound travelers.

Billy Bishop Toronto City Airport is a key driver of Toronto's economy, generating more than \$2.1 billion in total economic output and supporting 4,450 jobs, including 2,080 directly associated with the airport's operations. It has served its community for more than 85 years from its iconic location on the Toronto waterfront, where it facilitates critical healthcare for Ontarians by providing a base for medevac services connected to local hospitals.

Billy Bishop Toronto City Airport is committed to achieving its vision of cleaner, greener and quieter operations, and is renowned for its unique travel experience, efficiency, and customer service, having won a host of passenger-driven and environmental achievement awards.

BILLY BISHOP TORONTO CITY AIRPORT



PORT OF TORONTO

The Port of Toronto is a powerful economic engine, driving investment, tourism and trade, and is a key piece of infrastructure within the transportation ecosystem servicing the Greater Toronto Area (GTA), generating over \$460 million in economic activity in Ontario and unlocking sustainable marine connectivity into the heart of Canada's largest city.

Over two million metric tonnes of cargo transit through the Port of Toronto annually, providing sugar for our coffee, salt for our roads, and raw materials like cement, aggregate and steel, which support Toronto's booming construction industry. The Port of Toronto also serves as a gateway for cruise travel, having welcomed 18,000 passengers on 34 cruise ships in 2024, and as a hub for film and television production right on Toronto's iconic waterfront.



OUTER HARBOUR MARINA

Just outside the Toronto Harbour and a short walk from Tommy Thompson Park and nature preserve, the Outer Harbour Marina (OHM) has been offering a unique escape from city life right on the doorstep of the bustling downtown area for 35 years. As one of the province's largest freshwater marinas, the Outer Harbour Marina has more than 620 extra-wide slips that can accommodate boats up to 90 feet long. The only docking facility of its kind in Toronto, the OHM also boasts heated indoor boat storage.

OUTER HARBOUR
Marina



REAL ESTATE AND PROPERTY HOLDINGS

Our real estate and property holdings include 5 Queens Quay West, Pier 6, Yonge Street Slip, Outer Harbour Marina, Parts of Ookwemin Minising and the Port Lands, as well as various water and land lots along the waterfront. These properties are leased to other businesses, and some have the potential for redevelopment.



REAL ESTATE AND PROPERTY HOLDINGS



STRATEGIC PRIORITIES

Our purpose to “**deliver bold solutions for connectivity, economic opportunity and quality of life**” reflects our multifaceted commitment to the communities in which we live and work. It embodies the importance of environmental stewardship, community welfare and good governance that lie at the heart of our vision: “**Transportation Reimagined.**”

Building on our legacy of serving the city of Toronto and backed by a foundation of robust corporate governance, we undertook a strategic planning process in 2023. A five-year strategic plan was created to guide future annual business plans and seamlessly integrate strategic priorities with annual departmental and business unit plans.

The strategic planning process started with the definition of our purpose, which is to “**deliver bold solutions for connectivity, economic opportunities and quality of life.**” Backed by our values, this purpose is being integrated across business units and departments to arrive upon key strategic priorities that can help us achieve our vision.

1. ACCELERATE ECONOMIC AND BUSINESS SUCCESS

Leverage PortsToronto’s assets, expertise, and location to accelerate economic growth and support the communities we serve by offering the right facilities, services, and products.

2. CREATE AND LEAD A “ONE WATERFRONT” COMMUNITY

Unify the waterfront area to create a cohesive, inclusive, and vibrant community in the heart of Toronto.

3. EXCEL AT OPERATIONAL PERFORMANCE

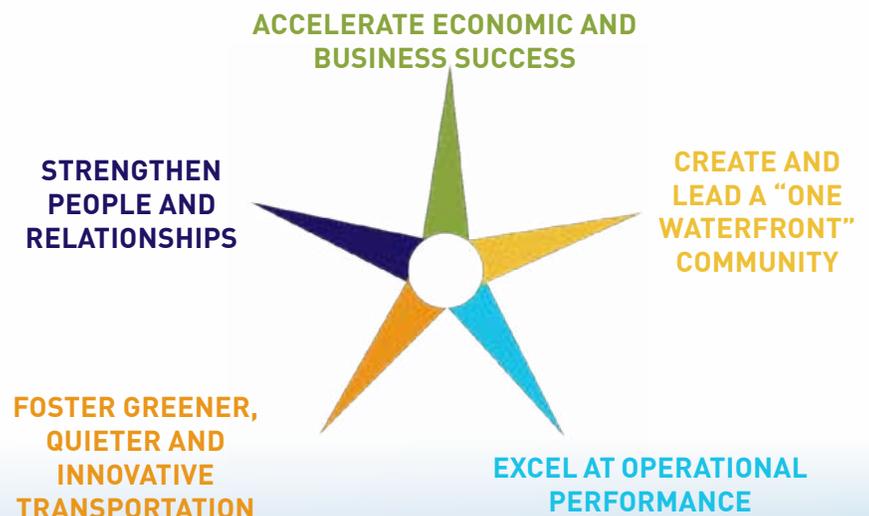
Deliver operational excellence through streamlined processes, data-informed decisions, advanced technology, and a commitment to efficiency.

4. FOSTER GREENER, QUIETER AND INNOVATIVE TRANSPORTATION

Shape the future of transportation in a sustainable, innovative, and forward-looking way.

5. STRENGTHEN PEOPLE AND RELATIONSHIPS

Cultivate a culture of excellence, inclusivity, and wellness within the organization and throughout the community.



ESG STRATEGY

Formalized in 2024, our ESG strategy draws from our vision of 'Transportation Reimagined.' It serves as a framework for our staff to consider the organization's impacts holistically, emphasizing the interlinkage between our financial and non-financial performance. Recognizing that ESG cuts across functions, our strategy identifies the resources, activities and principles that will help us continue to create shared value on the triple bottom line.



TRANSPORTATION REIMAGINED

DIMENSIONS	INPUTS	ENABLERS	OUTPUTS & IMPACTS
Financial Capital	<ul style="list-style-type: none"> Operational Budgets Capital Funding Debt 	Policy Suite Stakeholder Engagement Our Values Data and Monitoring Systems Industry and Trade Associations	 <ul style="list-style-type: none"> Net Income
Natural Capital	<ul style="list-style-type: none"> Renewable Energy Use Trash Trapping Program Goods & Materials Used 		 <ul style="list-style-type: none"> Net Zero Carbon  <ul style="list-style-type: none"> Zero Waste
Manufactured Capital	<ul style="list-style-type: none"> Plant, Property & Equipment Capital Program Digital Infrastructure 		 <ul style="list-style-type: none"> Resilient Facilities  <ul style="list-style-type: none"> Accessibility  <ul style="list-style-type: none"> Indirect Impact
Social & Relationship Capital	<ul style="list-style-type: none"> Community Investment Community & Customer Engagement 		 <ul style="list-style-type: none"> Social License to Operate
Human Capital	<ul style="list-style-type: none"> Learning & Development Health & Safety Equity, Diversity & Inclusion 		 <ul style="list-style-type: none"> Employer of Choice  <ul style="list-style-type: none"> Zero Harm
Intellectual Capital	<ul style="list-style-type: none"> Internal Capacity-Building Innovation Digitization and Cybersecurity 		 <ul style="list-style-type: none"> Resilient Business

GOVERNANCE

We rely on a robust corporate governance framework to help us stay true to our purpose and drive progress on our value creation journey. Our governance framework is designed to promote the highest levels of transparency, compliance and accountability, and is underpinned by our core value of integrity.

GOVERNANCE STRUCTURE

Preceded by the Toronto Harbour Commissioners (THC), the Toronto Port Authority – doing business as PortsToronto – was established in 1999 to operate the port, marina, airport and land holdings under its mandate, as part of the federal government’s strategy to modernize the administration of ports.

Established under the Canada Marine Act, PortsToronto is a government business enterprise that is mandated to be financially self-sufficient. PortsToronto operates in accordance with the Canada Marine Act and Letters Patent issued by the federal Minister of Transport, which entails a series of specific policies and procedures. The Letters Patent include requirements related to PortsToronto’s board of directors and outlines the activities that can be undertaken by the organization.

PortsToronto is accountable to the federal government through Transport Canada and is guided by a board of directors composed of individuals appointed by all levels of government – federal, provincial and municipal. The federal Minister of Transport appoints six members of the PortsToronto board, and the City of Toronto and the Province of Ontario have a direct governance relationship with our organization via their respective appointees to the Board of Directors. The PortsToronto Board, which met 12 times in 2024, is composed of directors with decades of executive-level experience in several fields.

They bring to the table expertise in subjects including, but not limited to, transportation, logistics, public policy, investment portfolio management, business law, communications and community relations.

OUR LEADERSHIP

Board of Directors

The federal Minister of Transport appoints six members to the PortsToronto board. The City of Toronto and the Province of Ontario, via their respective appointees to the Board of Directors, have a direct governance relationship with PortsToronto.

OUR BOARD IN 2024



100%
Average board meeting attendance



75%
Female representation on our current board

Board of Directors



Jane McKenna, Chair
Provincial Appointee



Hellen Siwanowicz
Federal Appointee



Thomas Ruth
Federal Appointee



Robin Pilkey
City of Toronto Appointee



Senior Management



Roelof-Jan (RJ)
Steenstra
President and CEO



John Peellegoda
Chief Financial Officer
& Senior Vice President
of Strategy



Will Ramjass
Chief Legal Officer &
Senior Vice President,
Real Estate



Deborah Wilson
Vice President,
Communications and
Public Affairs



Bojan Drakul
Vice President,
Infrastructure, Planning
and Environment



Warren Askew
Vice President, Airport



Captain Satinder Singh
Vice President, Marine



Kelly McDonald
Senior Director, Human
Resources



Sylvain Thériault
Corporate Fire Chief

GOVERNANCE

STANDING COMMITTEES

The PortsToronto board has four standing committees which guide its decision-making process.

Audit and Finance Committee

The Audit and Finance Committee assists the Board of Directors to ensure the integrity of PortsToronto's financial reporting process and system of internal controls regarding financial reporting and accounting compliance. It provides oversight on legal and regulatory compliance, internal audit and all other matters related to financial reporting systems and risk management.

Governance and Human Resources Committee

The primary purpose of the Governance and Human Resources Committee is to assist the Board of Directors in corporate governance, human resource and compensation matters, and to interface with user groups to facilitate Director nominations.

Communication and Outreach Committee

The Communication and Outreach Committee seeks to assist the Board with respect to PortsToronto's communications strategies and community outreach efforts.

Pension Committee

The Pension Committee administers PortsToronto's pension plans and makes recommendations to the Board of Directors on related matters.

ENTERPRISE RISK MANAGEMENT

In 2023 and 2024, we conducted a formal risk assessment refresh to review, assess and prioritize the critical risks that can potentially impact our ability to achieve our strategic goals between 2024 and 2028.

Our enterprise risk assessment process is outlined below.

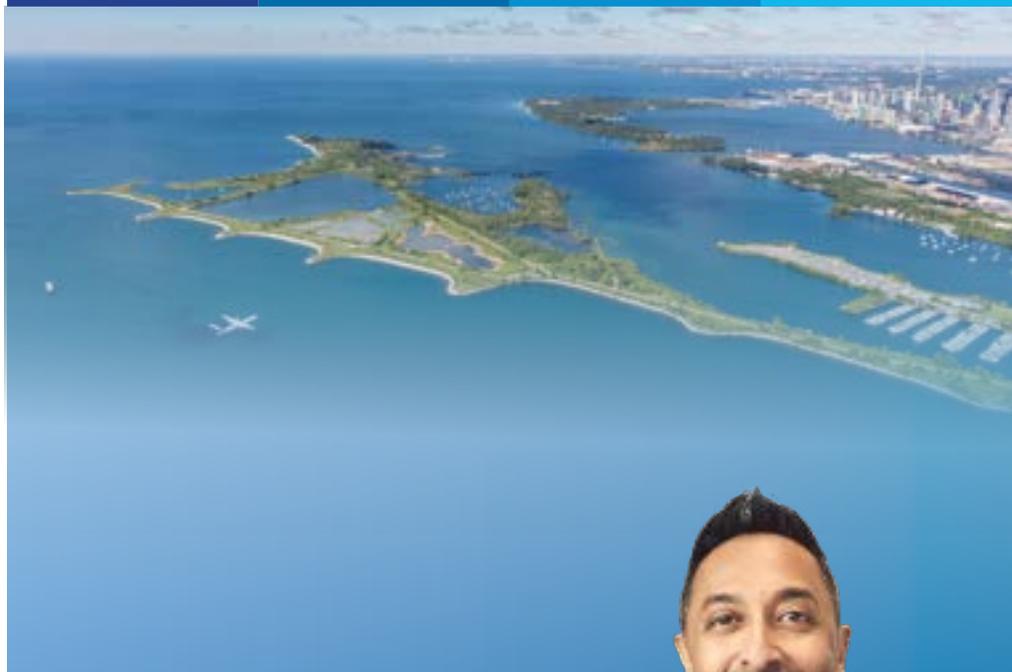
This process helped us identify nine critical risks and three significant risks facing our organization for the assessment period. The top risks were spread across the six categories of financial, operational, ESG, strategic, talent-related and technological risks. For each identified risk, we assessed the risk trend, controllability, speed and impact, and potential response options. All these inputs were used to review or formulate risk management plans for the top 12 risks, which were then assigned to an owner to oversee.

RISK IDENTIFICATION INTERVIEWS WITH MANAGEMENT AND BOARD MEMBERS.

RISK UNIVERSE UPDATES AND SELECTION OF RISKS FOR ASSESSMENT.

RISK ASSESSMENT WORKSHOP WITH A THIRD-PARTY CONSULTANT.

RISK PROFILE VALIDATION.



"Identifying the current and desired future state of our ERM maturity level has been invaluable to strengthening our risk management processes. Operating in a complex, evolving sector and regulatory landscape makes it essential for PortsToronto to keep making progress towards strategic risk management, which centres discussions of risk in different aspects of the organization's operations. As we work to enhance our risk management capabilities, we are continuing to lean on and address any gaps in our risk culture, policy framework, monitoring and reporting capabilities."

- Will Ramjass, Chief Legal Officer & Senior Vice President, Real Estate



GOVERNANCE

BUSINESS ETHICS & COMPLIANCE

Regulatory compliance is a cornerstone of our organization. We strive to ensure ethical behaviour in our dealings with every stakeholder group. Potential recruits are provided with copies of our key corporate policies and must agree to comply with them during their tenure. Once onboarded, all permanent employees are trained in areas such as occupational health and safety, harassment and violence in the workplace, hazardous materials and general behavioural expectations.

POLICY SUITE

Our corporate policy framework serves as a key risk management measure for our organization. It defines our organizational commitments, our expectations from personnel, consequences for non-compliance, and mechanisms to seek advice and support.

This year, we implemented an ESG Policy which serves as a framework for our staff to integrate environmental and social responsibility into their decision-making. The ESG Policy is based on the findings of our materiality assessment and covers topics including – but not limited to – energy and emissions, water, waste and effluent management, human rights, accessibility, noise management, stakeholder engagement, and transparency.

SELECT POLICIES

- Code of Business Conduct and Ethics
- Health and Safety Statement
- Cybersecurity Awareness Policy
- Workplace Harassment Policy
- Charitable Contribution, Donation and Promotion Policy
- Purchasing Policy
- Insider Trading Policy
- Hospitality Policy
- Whistleblower Policy



STAKEHOLDER ENGAGEMENT & MATERIALITY ASSESSMENT

An organization is only as successful as its stakeholders, making engagement a foundational step in the value creation journey. Recognizing this, we prioritize open dialogue with our key stakeholders, as this allows us to contextualize our plans, ambitions and strategies, with due consideration to their perspectives, needs and concerns. We use a number of formal and informal mechanisms to facilitate dialogue with our stakeholders and serve them to the best of our ability.

Key Stakeholders	Engagement Mechanisms	Engagement Frequencies	Key Areas of Interest	
CUSTOMERS	<ul style="list-style-type: none"> Customer satisfaction surveys Media and digital communication Community Liaison Committee 	Annual Quarterly Ongoing	<ul style="list-style-type: none"> Safety & Security Data Privacy & Cybersecurity Innovation Accessibility Business Continuity 	<ul style="list-style-type: none"> Customer Satisfaction Climate Action Noise Management Water & Effluents Business Ethics
COMMUNITIES & NON-PROFIT ORGANIZATIONS	<ul style="list-style-type: none"> Community Liaison Committee Consultation meetings Community engagement events Media and digital communication 	Quarterly Ongoing	<ul style="list-style-type: none"> Local Communities Human Rights Rights of Indigenous Peoples Indirect Economic Impact Safety & Security Business Ethics Accessibility 	<ul style="list-style-type: none"> Waste Management Regulatory Management & Compliance Energy & Emissions Climate Action Noise Management Water & Effluents
EMPLOYEES	<ul style="list-style-type: none"> Employee engagement survey Employee engagement events Performance reviews Town halls and internal team meetings Media and digital communication 	Annual Ongoing	<ul style="list-style-type: none"> Safety & Security Occupational Health & Safety Data Privacy & Cybersecurity Economic Performance Human Rights Risk Management Business Ethics Accessibility Business Continuity Regulatory Management & Compliance 	<ul style="list-style-type: none"> Energy & Emissions Employee Engagement & Satisfaction Climate Action Diversity, Equity & Inclusion Learning & Development Local Communities Water & Effluents Innovation
PARTNER ORGANIZATIONS	<ul style="list-style-type: none"> Virtual and in-person meetings Media and digital communication Trade and industry events 	Ongoing	<ul style="list-style-type: none"> Innovation Indirect Economic Impact Data Privacy & Cybersecurity Economic Performance Risk Management Business Ethics Business Continuity 	<ul style="list-style-type: none"> Regulatory Management & Compliance Customer Satisfaction Energy & Emissions Climate Action Local Communities Waste Management Water & Effluents Safety & Security

STAKEHOLDER ENGAGEMENT & MATERIALITY ASSESSMENT

Key Stakeholders	Engagement Mechanisms	Engagement Frequencies	Key Areas of Interest
CONTRACTORS, CONSULTANTS & SUPPLIERS	<ul style="list-style-type: none"> Virtual and in-person meetings Online and offline meetings Media and digital communication 	Ongoing	<ul style="list-style-type: none"> Occupational Health & Safety Risk Management Business Ethics Business Continuity Indirect Economic Impact Regulatory Management & Compliance Energy & Emissions Waste Management Water & Effluents
GOVERNMENT & REGULATORS	<ul style="list-style-type: none"> Public policy advocacy Trade and industry events 	As needed	<ul style="list-style-type: none"> Safety & Security Data Privacy & Cybersecurity Noise Management Indirect Economic Impact Rights of Indigenous Peoples Human Rights Risk Management Business Ethics Business Continuity Waste Management Regulatory Management & Compliance Energy & Emissions Climate Action

COMMUNITY LIAISON COMMITTEE

The Community Liaison Committee (CLC) is a key pillar of our efforts to be a good neighbour to residents surrounding Billy Bishop Toronto City Airport. Formed in 2010, the CLC meets on a quarterly basis, providing members a platform to voice any queries or concerns, and allows them to remain informed about operational developments that may impact them.

In addition to PortsToronto staff, the committee features representation from neighbourhood community groups, local businesses and stakeholders, local city councillors and members of provincial and federal parliaments. Additional guests are brought in, as needed, and quarterly meetings are open to the public. The CLC met four times in 2024. Minutes of the meetings, taken by a third-party consultant, are posted to PortsToronto's website.

CLC NOISE MANAGEMENT SUB-COMMITTEE

A Noise Management Sub-Committee of the CLC was formed in late 2017 to further research and to understand and address noise impacts from airport operations. The Noise Sub-Committee consists of three community members, two staff members from PortsToronto, one staff member from the City of Toronto and an independent facilitator. The committee – which met twice in 2024 – has two co-chairs, one each from the community and PortsToronto.

WATERFRONT STAKEHOLDER MEETINGS

Through this platform, we engage with institutional, business and residential neighbours along the waterfront, including the Bathurst Quay Neighbourhood Association and York Quay Neighbourhood Association, the Harbourfront Community Centre, the Toronto District School Board, the Waterfront BIA, and City of Toronto service providers such as Parks, Forestry and Recreation department and the TTC (Toronto Transit Commission).

ROCK BASS

Elementary school students from the Toronto District School Board (TDSB) Island Public/Natural Science School put their thinking caps on to name The Rock Bass, a new hybrid bathymetric survey vessel procured by PortsToronto.



STAKEHOLDER ENGAGEMENT & MATERIALITY ASSESSMENT

CONSULTATION AND ENGAGEMENT

PortsToronto collaborates with several government agencies, businesses, non-profit organizations and communities to elevate Toronto's waterfront. Our personnel are members of a multitude of committees and associations working towards the goals of advancing industry and commerce, waterfront protection and revitalization, and sustainability. PortsToronto is a member of several landowner and stakeholder advisory committees for projects including the Bathurst Quay Waterfront Revitalization Plan, Waterfront Transit Reset, the Waterfront School Playground Master Plan, Toronto Island Master Plan and the Port Lands Planning Framework.

Additionally, PortsToronto staff provide technical support to several agencies and committees on projects, such as the Port Lands Flood Protection and Enabling Infrastructure Project, Port Lands Public Realm and River Project, and the Gibraltar Point Erosion Control Project. We have also supported the work of Aquatic Habitat Toronto (AHT), a partnership amongst agencies working towards the improvement of aquatic habitat on the Toronto Waterfront, since its founding in 2003.

INDIGENOUS ENGAGEMENT AND CONSULTATION

PortsToronto has always taken our duty to consult seriously, acknowledging the history of the land that we operate on and the impacts of our organization on First Nations groups, including urban Indigenous peoples. We turn to the First Nations' consultation protocol agreements with the federal government to guide our engagement and consultation efforts.

We meet with the Mississaugas of the Credit First Nation on a regular basis and present our annual capital programs to them in an effort to identify and mitigate any potential adverse impacts on established aboriginal or treaty rights. Since 2023, we have also forged a relationship with the Six Nations of the River First Nation, whom we keep informed of any relevant projects and developments. In 2024, 21 staff members participated in a day-long training on Indigenous awareness and engagement during the reporting period.



SHAGI

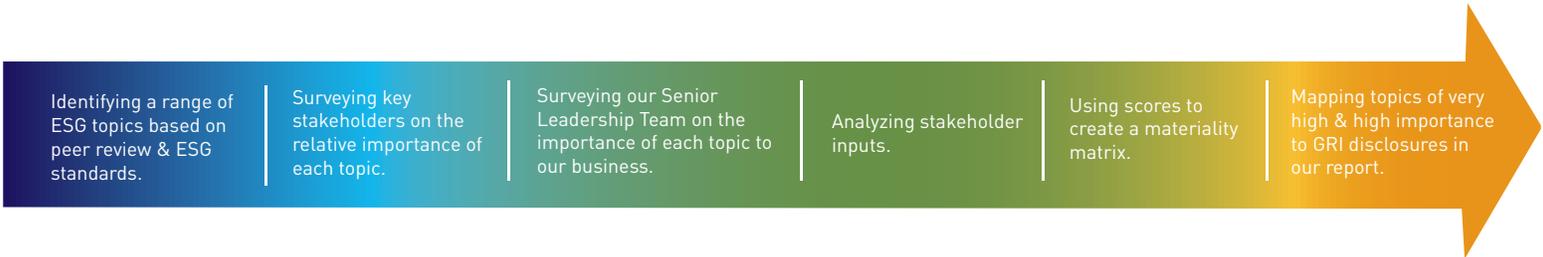
The Cruise Ship Terminal at the Port of Toronto is now home to Shagi, a vibrant mural by Anishinabek artist Que Rock. The powerful symbol of Indigenous culture welcomes visitors and vessels passing through the Eastern Gap and into the Toronto Harbour, acting as a bridge between cultures. PortsToronto aims to encourage visitors to learn about Indigenous heritage and foster a deeper appreciation for the land we all share.



STAKEHOLDER ENGAGEMENT & MATERIALITY ASSESSMENT

MATERIALITY ASSESSMENT

The materiality assessment process helps us better tailor our ESG disclosures and strategy to the needs of our stakeholders. We conducted our initial materiality assessment in 2023, and intend to refresh it every three years or as the need arises due to developments in our business or the macroeconomic landscape. The ESG topics identified as being of high and very high importance to our stakeholders, who were surveyed in a representative sample in 2023, were used to inform our ESG strategy and form the basis of this report. We arrived upon these topics by:



MATERIALITY MATRIX



More details on how these material topics informed the content of this report can be found in [Appendix A](#).

PORTS TORONTO

PEOPLE.



SOCIAL AND RELATIONSHIP CAPITAL MANAGEMENT



Uplifting and inspiring our stakeholders is crucial to our efforts to be a good neighbour. It is also a business imperative, as strengthening our communities and relationships helps strengthen the local and national economy, as well as the user and talent bases that help us thrive. We work to facilitate open, two-way dialogue with our customers, communities, partners, government agencies and other stakeholders, and collaborate with waterfront stakeholders and organizations to contribute to the wellbeing of our those in our region.

COMMUNITY INVESTMENT

We are cognizant of the fact that an organization is only as successful as its communities. Our communities and stakeholders have been integral to our success, and we strive to give back by investing in programs that will benefit them. Our giving is focused on education, sports and recreation, and arts and culture, in ways that support youth, families and a healthier environment along Toronto's waterfront.

Our employees have long participated in our corporate social responsibility initiatives, volunteering their time to help our communities. This year, we piloted a charitable donation matching program for all employees in 2024 in an attempt to amplify our impact and encourage employees to support organizations aligned with our corporate sponsorship strategy.

"We are always looking for ways to make a greater positive impact on our communities. I am proud of our employee donation matching program and our staff's enthusiastic participation in it. Together, our organization and employees contributed \$3,000 to causes like youth empowerment, building food security and environmental sustainability through this program in 2024, in addition to over \$1 million worth of investments in community and environmental initiatives."

- Deborah Wilson, Vice President, Communications & Public Affairs



EARTH DAY CLEAN-UP

Our employees at Billy Bishop Toronto City Airport were joined by staff of Nieuport Aviation, Porter Airlines, Bee-Clean and Stolport to mark Earth Day by participating in a clean-up at the neighbourhood of Little Norway Park as part of Live Green Toronto's Clean Toronto Together 2024 initiative.



SOCIAL AND RELATIONSHIP CAPITAL MANAGEMENT

17 PARTNERSHIPS FOR THE GOALS



Girls Take Flight at Billy Bishop Toronto City Airport

Girls Take Flight aims to break down barriers and encourage girls and underrepresented groups to pursue their dreams in the dynamic and rewarding fields of aviation and aerospace. Through hands-on activities, interactive exhibits and inspiring talks from industry professionals, participants gain valuable insights and are motivated to consider these rewarding careers.

In September 2024, Billy Bishop Toronto City Airport was pleased to welcome over 3,700 attendees at its inaugural Girls Take Flight – an exciting event designed to inspire and empower girls. This unique event featured 32 organizations in the exhibit hall, 12 inspiring speakers, 14 aircraft on display (including tours of a Porter Airlines Dash-8 Q400), and offered free exploration flights for 100 young women and girls.

Haul for Hope Plane Pull – Hope Air

This is a unique event in which teams of up to 10 people come together to pull a 67,000 lb Porter Airlines aircraft for 100 meters. The symbolic challenge reflects the journey that Hope Air patients face as they overcome geographical barriers to access essential medical care, and the role communities play in bridging the gap between home and the hospital. The second annual Haul for Hope plane pull at Billy Bishop Toronto City Airport raised over \$100,000 in support of Hope Air’s mission of providing families in need with the travel and accommodations needed to access medical care far from home.



Girls Take Flight at Billy Bishop Toronto City Airport



“When I created Girls Take Flight ten years ago, it was because only six per cent of pilots were women, and I wanted to introduce more women and girls to aviation. I was delighted when the team from Billy Bishop Toronto City Airport approached us to suggest moving it down here to this airport. It really meant a lot to me to be able to have the event continue to grow.”

- Lesly Page, Founder, Girls Take Flight



Haul for Hope Plane Pull – Hope Air



SOCIAL AND RELATIONSHIP CAPITAL MANAGEMENT

17 PARTNERSHIPS FOR THE GOALS



Doors Open Toronto 2024

We opened the doors to Billy Bishop Toronto City Airport as part of this event, which invites the public to explore the city's most loved buildings and sites, free of charge. Over 12,000 visitors were provided behind-the-scenes access to the airport, and to the people that make it work.

This year's theme – Hidden Histories – was about telling the story of Toronto through its many pasts and voices, and could not have had better timing, as Billy Bishop Toronto City Airport celebrated its 85th anniversary in 2024.

Airport staff and partners were onsite to answer questions and provide visitors with a unique glimpse of the airport. The event also featured public artwork on display, a staging area to view runway operations and aircraft up close, the opportunity to explore the airport's state-of-the-art vehicles including fire trucks, a live broadcast by Indie88, a historical exhibit featuring memorabilia from WWI hero Billy Bishop, and displays and activations that tied into the theme.

CHUM Christmas Wish – CP24

The CP24 CHUM Christmas Wish program is synonymous with holiday magic as one of the leading distributors of toys to children in need in the Greater Toronto Area. Along with our partners at Ornge and Nieuport Aviation, we donated toys and gift cards worth over \$11,000 to the campaign in 2024, which marked our sixth consecutive year of supporting the initiative.

Hanlan Boat Club

Located on the banks of Toronto's Outer Harbour, Hanlan Boat Club is a rowing club dedicated to inspiring and supporting participants on their rowing journey in an inclusive, safe and fun waterfront environment. In 2024, PortsToronto supported Hanlan Boat Club's Pedal and Paddle Summer Camp.

"Hanlan Boat Club was thrilled to have PortsToronto as a sponsor of our Hanlan-YMCA "Paddle and Pedal" Summer Camp in 2024. PortsToronto's generous contribution not only helped fund the smooth operations of the camp, but also provided multiple camp scholarships for campers whose families faced financial barriers. Without the funding from PortsToronto, we would not have been able to offer youth from the community a chance to enjoy the waterfront, learning how to row, canoe, kayak, bike and swim in the Outer Harbour."

- Sunny Edmunds,
Director, Hanlan Boat Club

Doors Open Toronto 2024



SOCIAL AND RELATIONSHIP CAPITAL MANAGEMENT



Aloha Toronto

Aloha Toronto brings a taste of Hawaii to Toronto, providing a day of fun on the water for individuals with autism spectrum disorders. Beneficiaries participate in surfing and stand-up paddleboard workshops in this one-day event, which PortsToronto supports.

Scientists in Schools

Sparking children's interest in Science, Tech, Engineering and Mathematics (STEM) at a young age can go a long way in fostering the next generation of researchers, leaders and changemakers. PortsToronto supports Scientists in Schools, a Canadian science education charity which strives to do exactly that by bringing STEM classroom workshops to schools in the Toronto waterfront area.

Stargaze Gala – Black Aviation Professionals Network

BAPN works to encourage and inspire Black youth to pursue careers in fields like aviation and aerospace and provides them the mentorship and support to thrive in the industry. In 2024, PortsToronto once again sponsored BAPN's annual Stargaze Gala that raises funds for their cause, honours members and allies' achievements, and celebrates Black culture.

Mission to Seafarers Southern Ontario

This organization provides emotional and spiritual support to seafarers by caring for victims of piracy, providing a lifeline to those stranded in foreign ports, or simply by providing a space to relax and access a listening ear. This year, PortsToronto continued to support Mission to Seafarers Southern Ontario, whose President and Board Chair is also on our senior leadership team.

Daily Bread Food Bank

Food security is increasingly becoming an area of concern in Canada, and Billy Bishop Toronto City Airport hosted a month-long donation drive at the airport for Toronto's Daily Bread Food Bank. Passengers and employees raised \$26,582 for Torontonians in need during the holiday season. Additionally, PortsToronto staff had the opportunity to volunteer at the food bank, getting a hands-on understanding of how these donations are used to make a difference.

"Billy Bishop Airport has been a generous supporter of Daily Bread Food Bank since 2021. We are deeply grateful for their engagement and creativity in mobilizing the public to support those facing food insecurity. From fundraising to donating media space to raise awareness for our mission, the partnership has been invaluable. Through these initiatives, we have been able to provide over 65,000 meals for Torontonians in need."

- Neil Hetherington, CEO,
Daily Bread Food Bank

Daily Bread Food Bank



SOCIAL AND RELATIONSHIP CAPITAL MANAGEMENT



Sugar Shack TO

Billy Bishop Toronto City Airport supports this unique two-day festival, which celebrates all things maple at Sugar Beach on the Toronto waterfront. The festival features maple delicacies, interactive activities and workshops, giveaways and much more.

The Bentway Conservancy – Winter Season

Billy Bishop Toronto City Airport supports The Bentway Conservancy, a not-for-profit organization and a registered charity, which provides much needed recreational space in an otherwise unusable area that will benefit our neighbours and the larger Toronto community. The project includes an ice-skating trail, an amphitheater, a large green lawn, landscape features, and various event spaces all located under the Gardiner Expressway.

Broad Reach Foundation

Billy Bishop Toronto City Airport lent support to the Broad Reach Foundation, which supports disadvantaged youth in the development of knowledge, skills and social belonging through sailing.

Artists for Water Gala – Swim Drink Fish

Swim Drink Fish is a non-profit working to create a swimmable, drinkable, fishable future by connecting and empowering people to stop pollution, protect human health, and restore natural habitat. Musicians, artists and philanthropists gathered to support their cause at the annual Swim Drink Fish Gala, which raised over \$485,000, to which PortsToronto was proud to contribute.

Trash Trapping Program – University of Toronto Trash Team

As part of this collaborative initiative, researchers collect and analyze the anthropogenic debris including plastics and microplastics captured by PortsToronto trash traps to determine the origin of some of these materials. This process, in turn, better informs the Trash Team's solutions-based research and community outreach program, which ultimately seeks to increase waste literacy and prevent plastics and microplastics from entering waterways in the first place.

Nuit Blanche

Nuit Blanche Toronto is an annual all-night celebration of contemporary art, which has featured thousands of art installations since its inception in 2006. PortsToronto partnered with the Waterfront BIA and Waterfront Toronto in 2024 to bring this celebration of contemporary art to the city's waterfront.

Chief's Gala

The Chief's Gala is an annual event hosted by the Chief of Police in support of Victim Services Toronto. It is a celebration that highlights a highly valued volunteer organization that is respected and essential not only to victims, but also to police officers at the scene of crimes and sudden tragedies. Over 1,500 guests attend, including police chiefs and senior police leaders from across the province, members from all levels of government, and members from the business community.

"Since opening to the public in 2018, The Bentway's programming has been guided by a commitment to radical accessibility and a belief that public spaces should be sites of shared joy, imagination, and conversation. Our partners at Billy Bishop Toronto City Airport have supported us here from day one. Each year, PortsToronto and Nieuport Aviation sponsor weekly Free Skate Rental Nights at our Skate Trail, ensuring neighbours and visitors alike can take part in the winter fun and foster new connections along the waterfront. With a significant increase in demand for our free events this past year, partnerships like this have been instrumental in meeting the community's growing need for recreation and social engagement. We remain grateful for the trust we've found from the team at Billy Bishop Toronto City Airport."

- David Carey, Co-Executive Director, The Bentway

the bentway



Trash Trapping Program – University of Toronto Trash Team



SOCIAL AND RELATIONSHIP CAPITAL MANAGEMENT



Toronto Waterfront Festival

The Toronto Waterfront Festival is a unique, one-of-a-kind, three-day event that positions and promotes Toronto locally, nationally and internationally as a waterfront destination by providing on-water, on-land, heritage and cultural programming. Billy Bishop Toronto City Airport has supported this important waterfront festival since 2014.

Room 13 & Community Connect Garden – Waterfront Neighbourhood Centre

Billy Bishop Toronto City Airport funds a program that supports the Waterfront Neighbourhood Centre’s arts programming, allowing the offering to be expanded to at-risk youth aged 13 to 17. Room 13 Toronto is the Canadian member of an internationally known visual arts program, which implements a resiliency-building strategy that encourages peer mentorship, studio management, entrepreneurial spirit and team building.

We also support the Community Connect Garden, where residents can attend organic urban gardening workshops, share their own gardening tips or simply enjoy the outdoors at the Waterfront Neighbourhood Centre. Participants plant vegetables and herbs that are shared amongst them at this free-of-cost program.

Toronto Waterfront Festival



RECOGNITION FROM SUPPORT OUR TROOPS

Billy Bishop Toronto City Airport was honoured to receive a special Avro Arrow Print to acknowledge the airport’s contribution to the Heroes Art Easel Program, which has raised over \$40,000 in the five years since we started supporting the initiative.



COMMUNITY CONNECT GARDEN

PortsToronto staff along with Nieuport Aviation had the opportunity to do some gardening in the Waterfront Neighbourhood Centre’s Community Connect Garden. This garden is a valuable learning resource and a source of fresh, organic vegetables and herbs for the community.



SOCIAL AND RELATIONSHIP CAPITAL MANAGEMENT



NOISE MANAGEMENT

Effective noise management is integral to maintaining and strengthening our community relationships. Billy Bishop Toronto City Airport is one of the most noise-restricted airports in North America, with commercial activity being limited to the De Havilland Dash 8-400 aircraft, which are among the quietest planes on the market, and a strict curfew that prohibits commercial flight activity between the hours of 11:00 p.m. and 6:45 a.m. and ensures that noise from airport operations remains within a limited and monitored Noise Exposure Forecast.

We have made a number of investments in noise management over the years. These include the construction of a Ground Run-up Enclosure (GRE) which dampens noise associated with high-power aircraft engine ground run-up operations through the use of specialized acoustic panels, and the electrification of the Marilyn Bell ferry, which addressed one of the primary sources of noise-related complaints stemming from the vessel's diesel engine. Additionally, we publish monthly and annual noise reports on our website, detailing the number of complaints, the activities they are attributed to, and response rates.

In 2024, we also shared the findings of a noise mitigation infrastructure study with the Noise Management Sub-Committee of the CLC. The study provides inputs on ground noise sources and impacts along with potential mitigation measures. The final outputs will be used to design our capital and operational investments following the committee's review.

ACCESSIBILITY

The importance of accessibility cannot be overstated, especially in the transportation sector, which provides essential services to society. In the reporting period, we initiated implementation of our 2024 – 2026 accessibility plan, which focuses on the pillars of employment, built environment, internet and communication technologies, non-ICT communication, transportation, procurement, design and delivery of programs and services. Highlights of our accessibility efforts in 2024 include:

- The approval of our multi-year accessibility plan and feedback process progress report by the Canadian Transportation Agency.
- Completion of site assessments with the Canadian Hearing Society, Autism Canada and the Canadian National Institute for the Blind.
- Review of our emergency plan and evacuation procedures for accessibility issues.
- Accessibility-focused review of training manuals.
- Inclusion of accessibility components in our Procurement Policy.
- Completion of architectural assessment of our properties.
- User testing of our website completed by persons with disabilities, and the incorporation of feedback on our revamped website.

Accessibility was also a focus area of our employee learning and development initiatives this year. 116 employees were trained in accessibility during the reporting period, with 46 of them focused on airport-specific accessibility issues.



BILLY BISHOP
TORONTO CITY
AIRPORT ANNUAL
NOISE SUMMARY
REPORT – 2024



SOCIAL AND RELATIONSHIP CAPITAL MANAGEMENT

17 PARTNERSHIPS FOR THE GOALS



CUSTOMER ENGAGEMENT & SATISFACTION

We take a customer-centric approach at each of our business units, whether serving corporate tenants, individual travelers or internal stakeholders.

Billy Bishop Toronto City Airport is loved by travellers because it offers a unique travel experience that is based on convenience, accessibility, friendly service, and incredible views. Passengers often share their stories and experiences about the advantages of flying in and out of Billy Bishop Toronto City Airport to our staff in-person or on social media. These stories inspired the *It's My Airport* campaign. Recurring themes that emerged from candid interviews with the passengers, staff, and partners included the airport's proximity to downtown, the ability to walk or bike to the airport, friendly customer service, the airport's sustainability practices and the breathtaking views. It is these themes, and many more, that you will see, hear and read through elements of this exciting campaign.

In 2024, we also conducted a customer satisfaction survey at the Outer Harbour Marina, which recorded satisfaction rates of 91.7 per cent and 87.8 per cent with our staff and facilities, respectively. This is up from 85 per cent and 86.9 per cent in 2023, in line with our commitment to continuous improvement.

BILLY BISHOP TORONTO CITY AIRPORT NAMED CANADA'S BEST AIRPORT IN 2024 AIRHELP SCORE REPORT

Billy Bishop Toronto City Airport was named Best Airport in Canada in the 2024 edition of the AirHelp Score Report – a comprehensive data-based evaluation of international airports based on service quality, on-time performance, claims processing and food and shops. AirHelp surveyed passengers between May 1, 2023, to April 30, 2024 about their most recently used airports, tracking on-time performance, customer feedback and the quality of food and shopping options at 239 airports globally.

These accolades reinforce broad recognition for the airport, including ranking among the world's best by the 2023 Skytrax World Airport Awards, a global benchmark of airport excellence voted on by nearly 14 million passengers worldwide. YTZ also ranked eighth in the World's Best Airports (under five million passengers category) and ninth in the Best Regional Airports (North America category), with passengers recognizing the airport for fast check-in times, ease of access to the terminal, and the courtesy and efficiency of airport staff.



it's my Airport

BILLY BISHOP
TORONTO CITY AIRPORT



WATCH THE FULL SERIES HERE.

"Healthcare is not as accessible in northern communities. As a registered travelling nurse, I travel through Billy Bishop Toronto City Airport every month to provide care for individuals who might not otherwise have access to medical treatment. My journey to the north begins and ends at Billy Bishop Airport. There is a nice sense of home and community with the airport."

- Mark Coursol, Passenger

SOCIAL AND RELATIONSHIP CAPITAL MANAGEMENT

17 PARTNERSHIPS
FOR THE GOALS

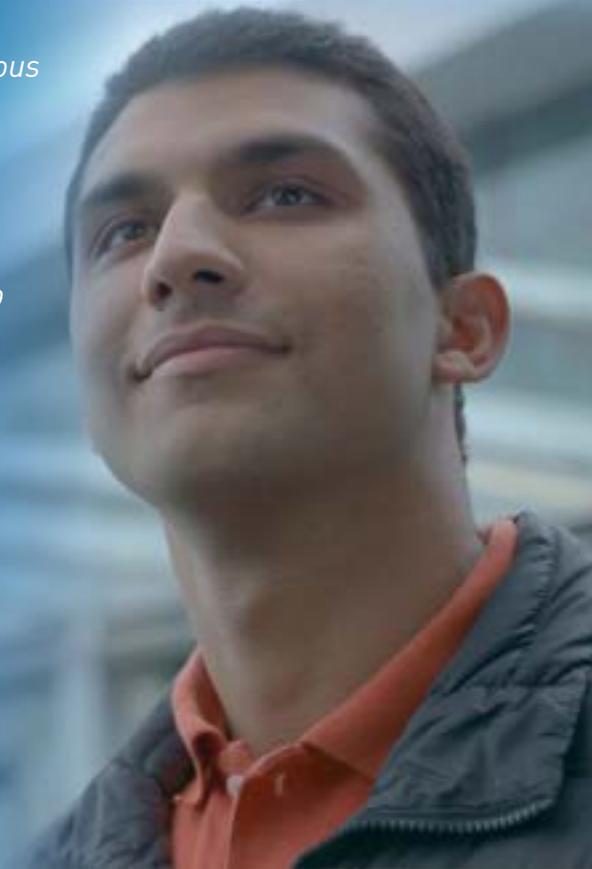


"One year I went to Billy Bishop's Doors Open event. I was always curious about the behind-the-scenes of an airport and how interesting it is, how it operates. I started looking for programs and opportunities. After graduating aviation management, one of the first jobs I got was working as a crew scheduler at Porter Airlines in their operations control centre. We often think that airports are these places so far and disconnected from cities and communities, but I think Billy Bishop really tries to be a good neighbour and gives back to the community. That really makes me proud."

- Armin Mahboubi, Passenger, Billy Bishop Toronto City Airport

*it's my
Airport*

**BILLY
BISHOP** 
TORONTO CITY AIRPORT



"We met online during the pandemic and when borders opened up, it was time to actually meet in person. We met at the airport, and we've been together ever since. Jay flipped the script and proposed to me outside the main terminal at Billy Bishop Toronto City Airport. Talk about making a connection at the airport. So, Billy Bishop will forever hold a special place in our hearts."

- Ann & Jay, Passengers, Billy Bishop Toronto City Airport

*it's my
Airport*

**BILLY
BISHOP** 
TORONTO CITY AIRPORT



HUMAN CAPITAL MANAGEMENT

Our organizational values stress the importance of putting people first, and we embody this at the corporate as well as business unit levels. Our success is directly linked to that of our employees, and attracting, retaining, engaging and developing a diverse workforce has a direct business benefit for us, allowing us to future-proof our organization, deliver on strategic priorities, and enhance our value creation.

Employee Engagement & Satisfaction

We strive to foster a culture of open communication, respect, recognition and inclusion, where employees feel equipped with the tools and knowledge they need to thrive. Our employee engagement strategy, therefore, hinges on our efforts to prioritize health and safety, learning and development, and equity, diversity and inclusion. These are accompanied by cultural celebrations and rewards and recognition to build a supportive work environment.

In 2023, we started conducting annual employee engagement surveys to understand areas of strength and opportunity. Findings of the first survey were used to develop improvement roadmaps, which helped us achieve a better participation rate, in addition to an improved score in every category at each business unit in 2024.

The year-over-year change in our employee engagement survey from 2023 to 2024 is showcased below.

“The employee engagement survey has been invaluable in helping us optimize our talent management practices. This year, we presented the findings of the survey to our organization in smaller groups for each business unit, which helped facilitate more open dialogue. Department and business unit leaders have also been tasked with developing action plans to address the feedback received through the exercise and drive continuous improvement in the employee experience.”

- Kelly McDonald, Senior Director, Human Resources



2023 → 2024
86% → 88%

Proportion of staff that feels pride in working at PortsToronto.



2023 → 2024
83% → 82%

Staff that believe managers support their health, safety and well-being.



2023 → 2024
79% → 80%

Staff that believe the organization makes a positive impact.



2023 → 2024
76% → 85%

Staff that believe PortsToronto provides a welcoming environment for different cultures.

Our survey participation rate also increased from 67 per cent to 75 per cent in the reporting period, reflecting the inputs of a greater share of our workforce.

HUMAN CAPITAL MANAGEMENT

OCCUPATIONAL HEALTH, SAFETY AND WELL-BEING

Our occupational health and safety management practices are designed to minimize workplace hazards, prevent injuries, record and conduct root cause analyses on any incidents, and raise awareness on best practices with respect to health and safety.

Our occupational health and safety policy statement underscores the important role all employees play in preventing accidents. This entails an obligation of supervisory staff to ensure their teams are trained in, and follow, safe work practices and stresses it is every employee's responsibility to comply with the policy and report any potential or actual hazards. This policy works in tandem with site-specific Standard Operating Procedures (SOPs) that serve as a thorough guide to compliance with all required regulations on site. These guidelines are made available to employees through business unit management and are reviewed periodically to ensure continuous improvement.

PortsToronto tracks known or foreseeable hazards at its facilities, along with the associated risks and Corrective Action Plans (CAPs) as well as over 30 safety-related data points to support internal performance management.

We did not record any cases of work-related ill health during the year.

Investigations were conducted in the aftermath of all incidents, to identify the root cause and put remediation measures in place, as required. Incidents are also discussed by our Safety Committee, which features representation from management and non-management employees, and meets on a monthly basis. Members of the committee are assigned facilities and conduct monthly inspections leading up to the meeting.

Through a combination of proactive safety measures and effective claims management, we successfully limited lost time to just three days during the reporting period. While this represents progress, we remain firmly committed to our goal of zero lost time due to workplace incidents.

SAFETY & SECURITY TRAINING

Training on our Workplace Violence and Harassment Policy and Workplace Hazardous Materials Information System is mandated for all new hires, including those on a contract basis. Crews at various business units, meanwhile, are trained in the relevant health and safety procedures upon onboarding. This year's safety trainings included topics like first aid and CPR, driving safety, fire extinguisher safety, working at heights and fuel handling, among others.

We also observed our 26th annual Marine Safety Day, when over 250 harbour tour boat crew and officers joined our team and Toronto Marine Emergency Response Council partners for an annual emergency preparedness training. New this year, PortsToronto's Harbour Master led a training module on vessel noise in the harbour to minimize disruption for other vessels as well as residents and visitors to the Toronto Harbour.

Metrics in 2024	Female	Male
Hours worked	288,777.15	
Number of work-related injuries	2	7
Rate of work-related injuries	6.2	
Number of fatalities as a result of work-related injury	0	0
Rate of fatalities as a result of work-related injury	0	0
Number of lost time injuries (excluding fatalities)	0	1
Rate of lost time injuries (excluding fatalities)	0	0.69

HEALTH AND SAFETY TRAINING IN 2024



48
Training
Courses



1,378
Training
Hours



29
Safety
Talks



HUMAN CAPITAL MANAGEMENT

We also offered a Wellness Program, built on the three pillars of mental, heart and financial health. The program is overseen by the Wellness Advisory Committee, which includes representation from leadership, and has received recognition. Highlights of our wellness program in 2024 include:

- A comprehensive workplace benefits plan offered to all full-time employees.
- Review of our wellness activity plan, and incorporation of employee feedback.
- Discounted access to a national gym chain for all employees.
- Discounted Bike Share membership.
- Employee communications covering topics ranging from strength training and aerobic exercise to inflation and investment.
- An employee and family assistance program offering counseling, health coaching and work life services.

Industry Recognition

PortsToronto was invited to share insights on how to build a wellness strategy at the Airports Council International – North America *Business of Airports Conference* in Miami.



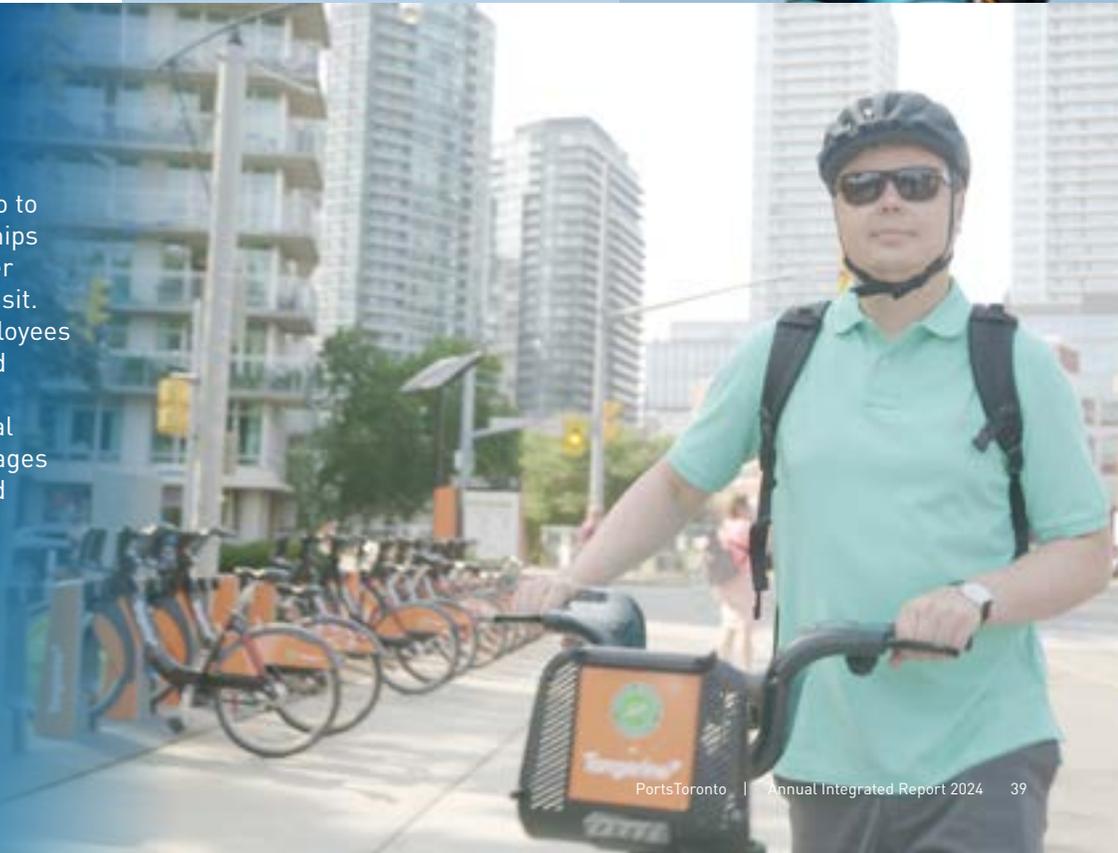
SUPPORTING THE NEXT GENERATION OF WELLNESS LEADERS

Recognizing the increasing importance of ensuring wellness in the workplace, we partner with various local colleges to offer students of all streams internships for our wellness program.



ENCOURAGING SUSTAINABILITY WITH EMPLOYEES

We partner with Bike Share Toronto to offer discounted annual memberships to our staff, encouraging a healthier and more sustainable mode of transit. Through this partnership, our employees have access to over 9,000 bikes and 700 stations across the city. This is also aligned with our environmental responsibility policy, which encourages our employees to carpool and avoid idling company-owned vehicles to reduce GHG emissions.





HUMAN CAPITAL MANAGEMENT

LEARNING AND DEVELOPMENT

At PortsToronto, we recognize the role the employer can play in ensuring the excellence and future-readiness of its workforce. We provide external educational opportunities to full-time employees, and conduct a number of professional and soft skills trainings to them in-house. The learning journey begins right at the start of their tenure, with all employees receiving mandatory trainings on workplace conduct, safety, identification and prevention of harassment and violence in the workplace, and the Workplace Hazardous Materials Information System. This is then supplemented with a mix of technical, behavioural and compliance-related training, tailored to their role.

In 2024, our personnel received over 2,500 hours of training on topics like:

- Renewable energy on the move
- Cybersecurity
- Microsoft 365 administration
- Seven habits of highly effective people
- Indigenous awareness and engagement
- Driving safety
- Fuel handling
- Mental health and safety awareness
- Office emergency evacuation
- Vehicle safety
- Work at heights
- Chainsaw safety
- Dangerous goods transportation
- IMS 100
- IMS 200
- IMS 300
- Security awareness
- Accessibility
- Canada Construction Law and Building Code Compliance
- First aid and CPR
- Human factors
- Electric vehicle fire management
- Fire extinguisher training
- Ice and cold water rescue
- Medical first responder
- Medical first responder – instructor
- Aircraft rescue
- EpiPen training
- Vehicle extrication
- Hazard occurrence investigation
- Workplace inspection
- Safe lifting for marinas
- Credit management
- Building trust in a digital world
- Internal controls: business process improvements
- Managing credit with information technology
- Tabletop and full-scale safety exercises
- Tabletop and full-scale security exercises
- Wildlife control
- Global Reporting Format/Aircraft Movement Surface Condition Reporting
- Small vessel machinery operation.



HUMAN CAPITAL MANAGEMENT

EQUITY, DIVERSITY AND INCLUSION

Toronto is a rich cultural mosaic, home to people from diverse backgrounds who live and work together to make the city vibrant. Operating in this landscape, we are cognizant of the importance of having a workforce that reflects the stakeholders we serve, and the benefits that come with having a diversity of perspectives and experiences at the table to inform our decisionmaking.

We kicked off the process of formalizing our EDI strategy in 2023 with confidential focus groups and interviews conducted by an independent consultant. The inputs received through these conversations were combined with an independent review of our policies and practices to develop an EDI gap assessment that highlighted potential action items in 2024.

Our EDI committee is working to prioritize these items, with implementation in 2025 and beyond. As a first step, the organization has revised its policy statements to include inclusive and gender-neutral language in 2024.

Building a Diverse Talent Pipeline

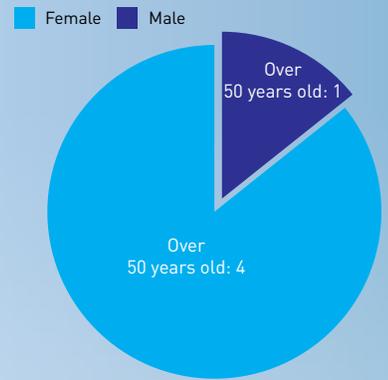
We understand that a lack of diversity is often a systemic issue and we work with a number of organizations to address it at a grassroots level. We engage with disability groups, Indigenous communities, educational institutions and occupation and industry-specific advocacy bodies to lend impetus to training and mentoring of diverse communities.

This year, Billy Bishop Toronto City Airport hosted its inaugural Girls Take Flight – a free event designed to inspire and empower girls and underrepresented groups to explore careers in aviation and aerospace. Our team also continued to support the Black Aviation Professionals Network, a charitable organization that aims to encourage and promote black talent in the field. Additionally, we participated in a career fair held by the Mississaugas of the Credit to raise awareness among the community about the opportunities at PortsToronto, and our sector at large, has to offer.

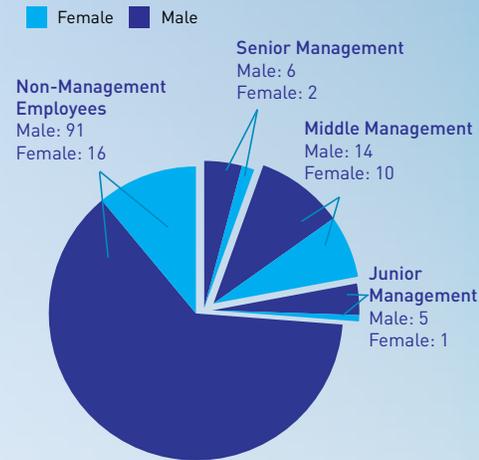
In addition to our full-time employees, we also hire summer students and seasonal employees, and use third-party consultants and independent contractors for specialty roles as needed.

OUR WORKFORCE

TOTAL BOARD MEMBERS IN EACH CATEGORY AS OF DECEMBER 31, 2024



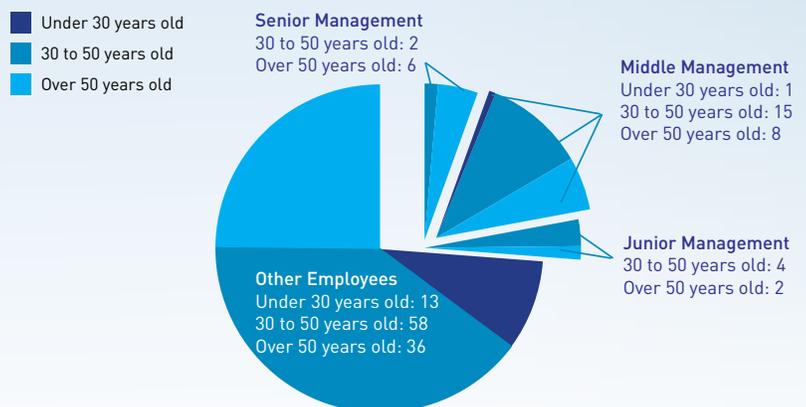
TOTAL EMPLOYEES IN EACH CATEGORY AS OF DECEMBER 31, 2024



FREEDOM OF ASSOCIATION

We respect the freedom of association and right to collective bargaining. 60% of our workforce was covered by a collective bargaining agreement, as of December 31, 2024. Our non-union employees have the same working conditions as union employees, and the terms of employment are in line with the Canada Labour Code. We also look to the Code and other relevant rules and regulations to ensure our labour practices are ethical, fair and equitable.

TOTAL EMPLOYEES IN EACH CATEGORY AS OF DECEMBER 31, 2024

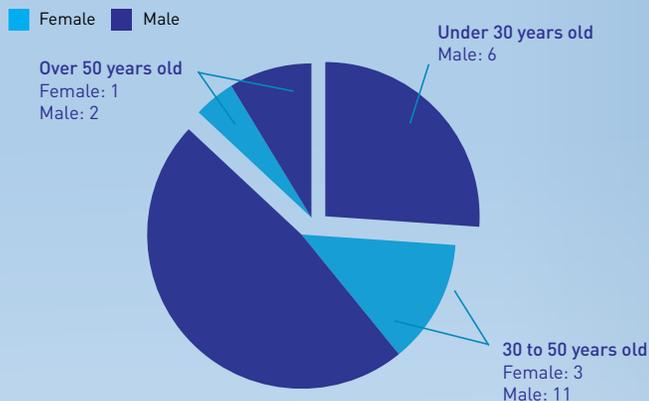


HUMAN CAPITAL MANAGEMENT

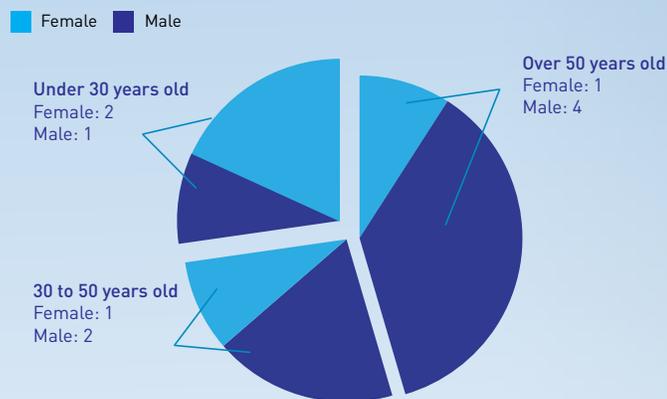
2024 saw our workforce continue to grow, with key skills and competencies being added to our organizational roster.

OUR WORKFORCE

NEW HIRES IN 2024



EMPLOYEE TURNOVER IN 2024



RATE OF EMPLOYEE TURNOVER IN 2024	FEMALE	MALE
Under 30 years old	1.49%	0.74%
30 to 50 years old	0.74%	1.49%
Over 50 years old	0.74%	2.97%

PARENTAL LEAVE IN 2024

Our employees have the option to top up their maternity and parental leaves. This year, 29 female and 116 male employees were entitled to parental leave. Of these, 2 men and 2 women took parental leave in the reporting period.

Two employees, whose parental leave from the past year ended in 2024, returned to work in the reporting period. Additionally, all employees who returned from parental leave in the previous year were still with the organization a year later.

It gives us great pride to note that this brings our return-to-work rate to 100 per cent and retention rate to 100 per cent.





HUMAN CAPITAL MANAGEMENT

HUMAN RIGHTS

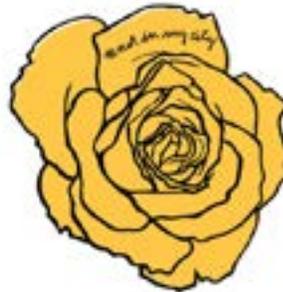
Businesses can impact their stakeholders' enjoyment of their human rights. We at PortsToronto have a deep respect for the employees, customers, communities and partners that put their trust in us, and are committed to upholding human rights in our operations.

#NotInMyCity

Human trafficking is one of the fastest growing crimes in Canada. At PortsToronto, we are committed to raising awareness and helping disrupt human trafficking in our communities. Billy Bishop Toronto City Airport staff have been trained in identifying and helping to prevent human trafficking at airports, through our partnership with #NotInMyCity and Toronto Police Service.

KNOW THE SIGNS OF HUMAN TRAFFICKING

If you or someone you know is a victim of human trafficking, help is available.



AÉROPORT DE TORONTO
**BILLY
BISHOP**
TORONTO CITY AIRPORT



PORTS
TORONTO

PLANET.



NATURAL CAPITAL MANAGEMENT



The location of our business units, combined with our mandate to ensure safe navigation in the Toronto Harbour, links PortsToronto's success directly to that of our water resources. Environmental sustainability has, therefore, been at the heart of our operations since our inception. We work to preserve and restore natural habitats, use resources responsibly, and keep Toronto's waterfront safe, navigable and enjoyable for all stakeholders.

DREDGING AND WETLAND CREATION

Each year, thousands of tonnes of sediment build up in the area where the Don River empties into the Keating Channel. If not removed, this build-up can cause the river to back up and flood, with debris spilling into Toronto's harbour.

Dredging is the process by which sediment is removed to achieve a navigable river depth and allow the smooth flow of water and ice. PortsToronto transports natural sediment to the Leslie Street Spit at a Confined Disposal Facility (CDF) designed by our organization to contain the natural materials dredged from the channel and other parts of the harbour.

Our 2024 dredging operations built on the work of PortsToronto and the Toronto Regional Conservation Authority (TRCA) in 2007 and 2016, when two confined disposal cells were converted to a 16-hectare coastal wetland. These areas are now home to marsh birds, including nesting Common Terns, turtles, amphibians, small mammals and native fish.



"PortsToronto has been dredging the Keating Channel since 1913 as part of our mandate to ensure safe navigation. The year 2024 marked the return of our dredging efforts to the Toronto Harbour to assist with flood prevention for the City of Toronto and the Toronto and Region Conservation Authority. We're removing between 30,000 and 60,000 m³ of sediment in the Keating Channel each year. This process has the additional benefit of providing new habitat for wildlife."

- Allan Seymour, Director, Works and Environmental Services



MUSKIE

In December 2024, a Muskie was caught and released in Toronto's Harbour, only the second recorded in 30 years. Rare catches like this result from decades of habitat restoration and wetland creation with Aquatic Habitat Toronto (AHT) agencies. AHT is a consensus-based partnership from all levels of government, who have a vested interest in the improvement of aquatic habitat on the Toronto Waterfront.



NATURAL CAPITAL MANAGEMENT



CLIMATE ACTION

Climate action is a cornerstone of our strategy, and we not only view it as our responsibility to our planet and the communities that inhabit it, but also as an integral risk management measure. Our ambition to reimagine transportation and to be cleaner, greener and quieter drives our climate change mitigation and adaptation efforts, which are aligned with the federal government's target of achieving net-zero emissions by 2050.

In 2024, we initiated a climate scenario analysis to identify the climate risks our organization and various business units are exposed to. As part of the process, we looked at two plausible future warming states, and assessed the impact that each could have on our organization. This included physical risks arising from the manifestation of climate impacts, as well as risks that can result from the transition to a low-carbon scenario.

We studied a number of climate risks, which can broadly be categorized as:

- Acute physical risks, including – but not limited to – heavy rain, heat waves, and snowstorms;
- Chronic physical risks like high temperatures, lake level fluctuations and snow accumulation;
- Regulatory risks, including increases in carbon pricing;
- Market risks, such as shifts in customer preferences;
- Technological risks, such as the substitution of existing services with lower carbon alternatives; and
- Reputational risks arising from the failure to take climate action.

Inputs from these analyses are being used to inform our net zero roadmap, the development of which is underway.



ELECTRIFYING ACCESS TO BILLY BISHOP TORONTO CITY AIRPORT

In 2023, Billy Bishop Toronto City Airport was awarded an Airports Going Green Honorable Mention in recognition of its project to make access to the airport electric.

The *Marilyn Bell* airport ferry operates 19 hours a day, 365 days a year, and is powered by renewable energy. The ferry serves as an alternative to our 185-metre pedestrian tunnel. In 2021, PortsToronto completed the ferry's transition to a 100 per cent electric power and propulsion system. Owing to our partnership with Bullfrog Power, the *Marilyn Bell* became the first zero-emissions ferry in Canada, reducing annual GHG emissions by 530 tCO₂e. Meanwhile, the *David Hornell* back-up ferry has been transitioned to use biodiesel, reducing emissions even further.

Additionally, our location in the heart of the city allows 55 per cent of our passengers to walk, bike, take the shuttle or public transit to and from the airport, further reducing indirect GHG emissions and contributing to Billy Bishop Toronto City Airport's reputation as being an accessible, convenient and sustainable airport.



55 PER CENT OF OUR PASSENGERS TO WALK, BIKE, TAKE THE SHUTTLE OR PUBLIC TRANSIT TO AND FROM THE AIRPORT.

AIRPORT CARBON ACCREDITATION

Airport Carbon Accreditation is the only institutionally endorsed, global carbon management certification program for airports. Program administrators independently assess and recognize the efforts of airports to manage and reduce their carbon emissions through seven levels of certification. In 2024, Billy Bishop Toronto City Airport entered the program, achieving a Level 1 Airport Carbon Accreditation in recognition of its carbon management efforts.



NATURAL CAPITAL MANAGEMENT

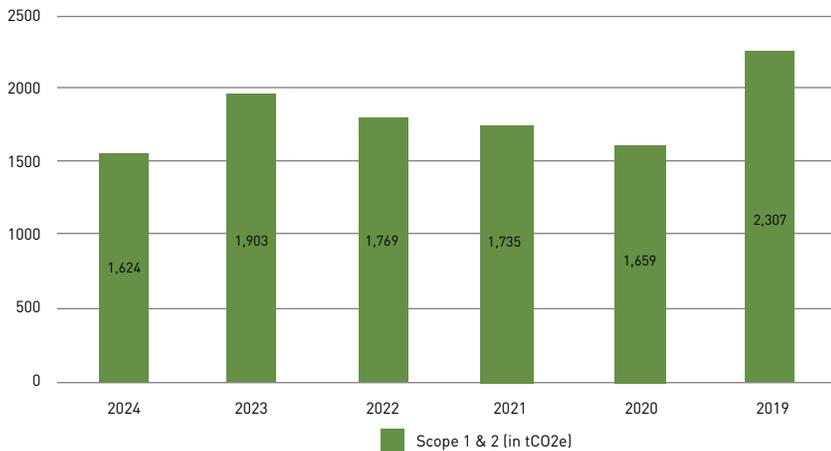


ENERGY & EMISSIONS

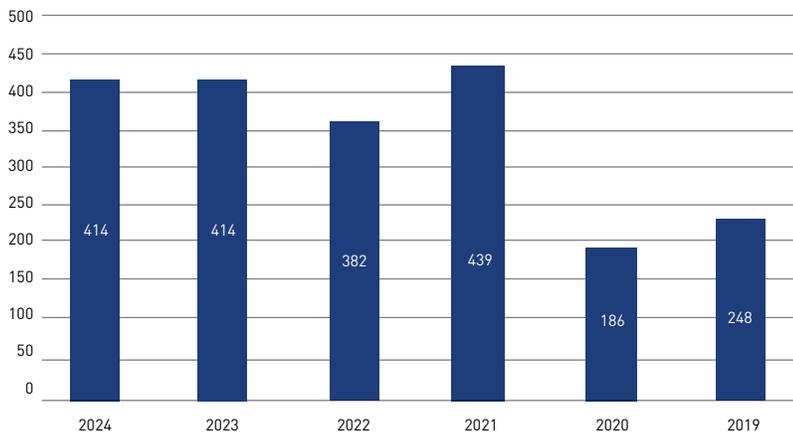
Increasing energy efficiency and using renewable energy have helped us offset our location-based Scope 2 emissions since 2010, when we began working with Bullfrog Power. Bullfrog Power supplies clean energy in the form of EcoLogo-certified wind and low-impact hydropower, equivalent to our electricity consumption to the grid on our behalf. We also procure Renewable Energy Certificates (RECs) on behalf of some of our tenants.

Our Scope 1 (direct) GHG emissions result from the fuel consumption by our fleet and backup ferry, natural gas used at our facilities, refrigerant leaks and releases, and our use of fuels for firefighter training, welding and other infrastructure maintenance. We strive to maximize our fuel efficiency, which is also impacted by business activities and the weather.

DIRECT LOCATION-BASED GHG EMISSIONS BY SCOPE
(BEFORE SCOPE 2 EMISSIONS ARE NEUTRALIZED BY BULLFROG POWER)



SCOPE 2 EMISSIONS NEUTRALIZED BY BULLFROG POWER (IN tCO₂e)



Our direct (Scope 1 and Scope 2) emissions intensity in 2024 was 11.20 tCO₂e/full-time employee, compared to 14.53 tCO₂e/full-time employee in 2023.



BULLFROG POWERING OUR OPERATIONS

Since joining the Bullfrog-powered community in 2010, PortsToronto has avoided 36,096 tCO₂e. That's equivalent to:

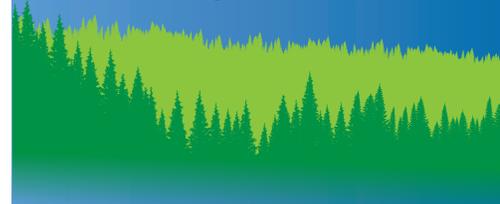
8,049

Cars taken off the road for one year.



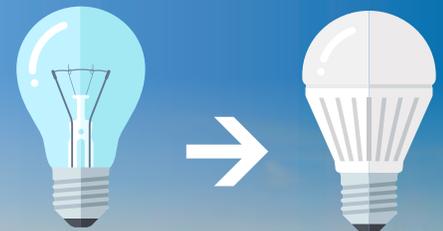
17,529 HECTARES

Forests grown for a year.



1.37 MILLION

Light bulbs switched to LEDs.



NATURAL CAPITAL MANAGEMENT



CLIMATE ACTION

This year, we quantified our Scope 3 (indirect) GHG emissions to better understand the environmental impact of our value chain, and guide future decarbonization efforts. While these emissions are not caused by activities directly under our control, they generally form the lion's share of an organization's carbon footprint, regardless of the sector it operates in. Quantifying these emissions offers us an opportunity to identify emission hotspots in the value chain, make better decisions on our procurement, and provide our partners with the support, collaboration and infrastructure needed to reduce their GHG emissions as well.

The Scope 3 emissions quantified cover significant categories for our sector, including – but not limited to – emissions arising out of the use of sold products, purchased goods and services, use of downstream leased assets, employee commuting and business travel.

We continue to work with our partners to identify opportunities for collaboration and climate change mitigation.

EMISSIONS REDUCTIONS

In the winter months, the Port of Toronto supplies laid-up ships with electric power from renewable sources through our partnership with Bullfrog Power, reducing emissions associated with vessel generators.



NATURAL CAPITAL MANAGEMENT



WASTE, WATER AND EFFLUENTS

The responsible consumption of water, and effective management of waste and effluents, are critical to ensuring good health and well-being, mitigating climate change, and the safeguarding of human rights and peace across the globe. In addition to emphasizing mindful resource consumption across the organization, we work with our partners, waste haulers and the municipal government to ensure waste and effluents are managed in a responsible manner at our business units.

GLYCOL MANAGEMENT AT BILLY BISHOP TORONTO CITY AIRPORT

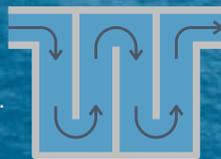
Aircraft de-icing and anti-icing fluids are managed through a dedicated glycol management system at Billy Bishop Toronto City Airport. Equipped with a duplex pump that offers added protection against runoff, the system traps these fluids and prevents the discharge of glycol into Lake Ontario.



BY THE NUMBERS

35,000 LITRES

Daily average wastewater treated at the Port of Toronto.



100 PER CENT

Waste diversion rate at the BBTCA terminal, administrative offices, fire hall and Porter Airlines' facilities.

288.27 MT

Non-hazardous waste generated at the Port of Toronto and Outer Harbour Marina.



415.43 MTCO₂e

Energy recovered from waste generated at the airport in 2024.



0%

No surface water, groundwater or seawater withdrawal in 2024.

NATURAL CAPITAL MANAGEMENT



Toronto Inner Harbour Floatables Strategy

Formed to reduce plastic pollution and other floating litter in Toronto's Harbour, the Toronto Inner Harbour Floatables Strategy is a collaboration between the Toronto and Region Conservation Authority, the Toronto Remedial Action Plan, University of Toronto Trash Team, PortsToronto, City of Toronto, Swim Drink Fish, Waterfront Business Improvement Area (WBIA), Harbourfront Centre, and Waterfront Toronto.

The strategy aims to tackle floatable debris in the City of Toronto Inner Harbour and allow the ecosystem to thrive, while providing abundant recreational activities to residents and visitors. Trash trapping devices like WasteSharks, Seabins, LittaTraps, Osprey Litter Booms, and skimming devices are used to remove and monitor floating litter, with the data being used to inform stakeholder policy advocacy and community engagement efforts.

TRASH TRAP DIVE

This year's public outreach and engagement efforts included the Trash Trap Dive, where members of the Strategy interacted with community members, raising awareness on microplastics, where they come from, and how we can prevent them from reaching Lake Ontario and eventually, the ocean.



Vision: A City of Toronto Inner Harbour that is free of floatable debris with a thriving aquatic ecosystem and abundant recreational opportunities.



Objective 1: Products and Maintenance

Implement novel products and maintenance regimes that will effectively remove floatables within and mitigate floatables from entering the Toronto Inner Harbour.



Objective 2: Monitoring

Track the volume of floatables to measure success of implementation and to identify potential additional actions.



Objective 3: Public Education

Develop education and awareness programs to mitigate behaviours that result in floatables entering the Toronto Inner Harbour.



Objective 4: Policy

Coordinate this strategy with municipal partners and other stakeholders to support relevant policy.

NATURAL CAPITAL MANAGEMENT



Trash Trapping Program

PortsToronto and the University of Toronto Trash Team have led the Trash Trapping Program since 2019, in partnership with the WBIA, the City of Toronto BIA Office Innovation Grant, Nieuport Aviation, Harbourfront Centre and TRCA.

The program harnesses trash trapping technologies and solutions-based research to work towards source reduction of floating debris in the Toronto Harbour. Researchers from U of T measure and analyse each piece of floatable litter collected by various traps to identify trends, determine the source of the material, and advocate for policies and upstream solutions. The researchers' findings are used to guide public outreach and engagement efforts.

The PortsToronto Trash Trapping Program is part of the Toronto Inner Harbour Floatables Strategy, a partnership led by TRCA, and of the International Trash Trapping Network, an initiative led by the U of T Trash Team and Ocean Conservancy. These initiatives have influenced the launch of similar trash trapping and data collection programs throughout the Great Lakes and beyond.

2024 Season

The first full season featuring the WasteShark aquadrones in our trash trapping fleet, this year saw over 600 kg of anthropogenic debris diverted from Lake Ontario. Items such as plastic pellets, pieces of foam from food containers and construction activities, plastic bottle caps, cigarette butts, fatbergs, and more than 100,000 small pieces of plastic were removed from the harbour between May and October.

"It has been wonderful to work on this project for five solid years. As we've worked, our partnerships have grown and so has our impact. Due to an increased capacity through more traps and more human power, we remove more and more plastic pollution from our waterfront every year. Moreover, the data we collect is used to inform the preventative solutions we work on together – such as reducing litter from cigarette butts, rethinking garbage bins to reduce overflow, and reducing single-use foodware and produce bags in local businesses. Holistically, the work we do trapping trash and preventing plastic pollution reduces the plastic pollution in Toronto's water – protecting wildlife and humans."

- Dr. Chelsea Rochman, Head of Operations, U of T Trash Team



KEY FINDINGS – 2024



53,886
macro-sized items
removed from the
Toronto Harbour



174,251
microplastic pieces
removed



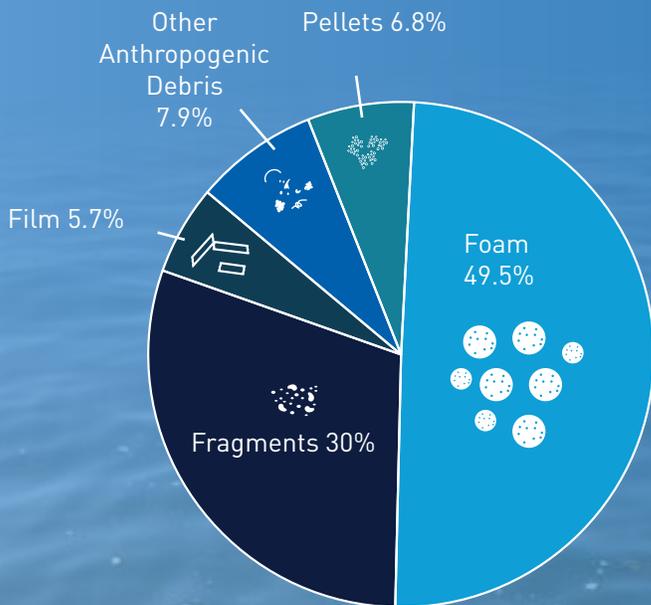
642 KG
of anthropogenic
debris removed



NATURAL CAPITAL MANAGEMENT



SMALL PLASTIC ITEMS COLLECTED FROM SEABINS, LITTATRAPS, WASTESHARKS & SKIMMING



TOP 10 LARGE ITEMS COLLECTED FROM WASTESHARKS



NATURAL CAPITAL MANAGEMENT



SAFETY & SECURITY

Ensuring safe navigation in the Toronto Harbour is a part of our mandate. In addition to working towards a safe navigational depth through dredging, our crews deploy navigational buoys around Toronto's Harbour to ensure the safety of boats, ships and their passengers every season. We also remove any hazards and large debris in the water to ensure boater safety.

Wildlife Management

Wildlife management is a cornerstone of our safety and security efforts, particularly at Billy Bishop Toronto City Airport and the Port of Toronto, where we work with recognized leaders in the field to ensure the safety of humans and wildlife alike.

In line with Transport Canada requirements and Canadian Aviation Regulations, the airport has a comprehensive Wildlife Management Program dedicated to keeping birds out of aircraft flight paths and ensuring runways are free of birds and other wildlife. Wildlife officers deter birds and other wildlife by using natural deterrence methods, such as monitoring movements and behaviour, maintaining proper grass levels and landscaping, using falcon kites and installing physical barriers.



HARBOUR HOTLINE

PortsToronto operates the Harbour Hotline, which responds to reports of pollution, spills and debris in the harbour. Through this program, we remove approximately 150 million pounds (more than 68,000 tonnes) of dredgeate, debris and driftwood from the harbour each year.

In 2024, we dispatched personnel to investigate 42 reports. While 31 of these were outside our jurisdiction, PortsToronto nonetheless responded to help out wherever possible. Nine reports, meanwhile, were oil spills that another agency addressed.



150 MILLION

PortsToronto removes approximately 150 million pounds (more than 68,000 tonnes) of dredgeate, debris and driftwood from the harbour each year.

42

In 2024, we dispatched personnel to investigate 42 reports.



MANUFACTURED CAPITAL MANAGEMENT



Our fixed assets are the foundation of PortsToronto's business, enabling us to serve our stakeholders, and provide the critical infrastructure needed for the city to thrive. The maintenance and improvement of our assets and facilities is an overriding priority for PortsToronto, since it helps us generate the revenue that we reinvest, not just into our business, but also into our communities and environmental initiatives. This infrastructure also plays a key role in fostering the wellbeing of residents in the region, providing the sugar for our coffee, salt for our roads, raw materials for our industry and housing, and vital connections to people and opportunities.

This year, our capital program continued to focus on rehabilitation of and improvements to our business units' infrastructure, including laying the foundation for future works. We also started, and continued, some key capital projects in the focus areas of safety and security, and adapting to a changing climate. Some of these initiatives include:

U.S. CBP Preclearance

Preclearance is a critical tool to strengthen ties between the United States and Canada and open up new markets to travellers wanting to access smaller U.S. airports that do not have U.S. CBP presence. As we prepare to bring preclearance to Billy Bishop Toronto City Airport in 2025, PortsToronto is embracing next-generation technologies that enhance convenience through baggage intake and facial recognition for passengers.

Safety and Security

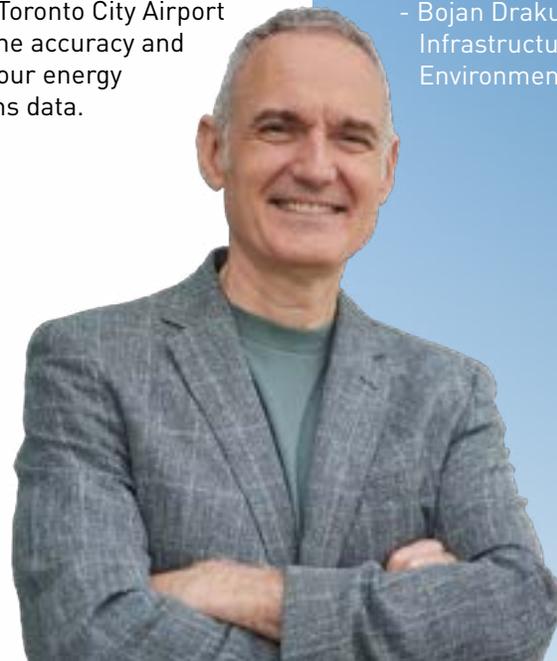
- Start of the Runway End Safety Areas (RESA) implementation project at Billy Bishop Toronto City Airport; this multi-year project will ensure the airport complies with the latest Transport Canada RESA regulations.
- Refurbishing marker buoys that help ensure boater safety in the Toronto harbour.
- Enhancing portable lighting systems at the Port of Toronto for safer cargo handling.

Climate Change Mitigation & Adaptation

- Major dockwall rehabilitation projects at the Airport and Marine Terminals Property, to ensure the resilience of these essential transportation hubs, in light of rising lake levels and extreme weather events.
- Installation of smart meters at Billy Bishop Toronto City Airport to enhance the accuracy and reliability of our energy and emissions data.

"PortsToronto has a long history of making strategic investments in Toronto's waterfront and transportation infrastructure. This year, we continued to build upon this legacy, directing over \$19.7 million in funding towards infrastructure enhancement. These investments have been focused on enhancing the resilience and reliability of our assets. As climate impacts manifest around the world, we need strategies to ensure business continuity and diversify our revenue streams, thereby strengthening the safety and security of our facilities."

- Bojan Drakul, Vice President, Infrastructure, Planning and Environment



In 2024, we also focused on strengthening the fleet of machinery and resources required for our dredging operations, which removes thousands of tonnes of sediment built up in the area where the Don River empties into the Keating Channel. Without these efforts, the build-up could cause the river to back up and flood, with debris spilling into the Toronto harbour or the newly created Ookwemin Minising island.



MANUFACTURED CAPITAL MANAGEMENT



Bathurst Quay Common

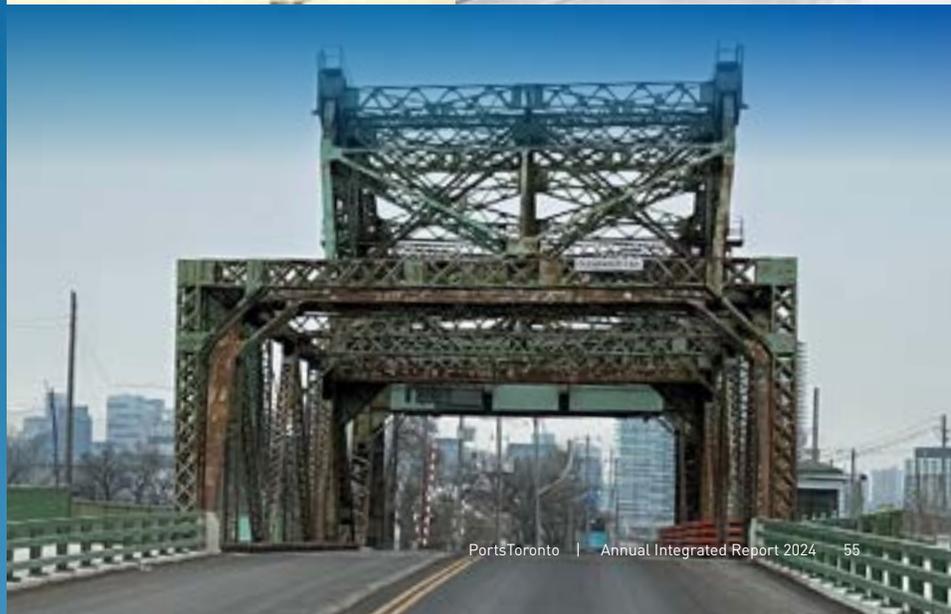
A new one-acre park opened adjacent to Billy Bishop Toronto City Airport in 2024, providing residents and visitors more recreational space along the city's iconic waterfront, and serving as a welcoming gateway into downtown Toronto for visitors flying into the airport. PortsToronto and Billy Bishop Toronto City Airport were proud to play a part in bringing this vision to life, including contributing \$3.5 million in important infrastructure and construction improvements to the Eireann Quay and Canadian Malting Silos site, reducing our mainland footprint, and reconfiguring operations to help realize this vision.



CRITICAL REPAIRS TO SHIP CHANNEL BRIDGE

The Ship Channel Bridge is a vital piece of infrastructure that supports our national supply chain. In March 2022, PortsToronto and the City of Toronto partnered to begin a major rehabilitation program to modernize the ageing Ship Channel Lift Bridge, which was originally constructed in 1931. The bridge went out of service in April 2024 when it was locked in an upright position due to hardware damage requiring critical repairs. Expert engineering and construction teams were required to replace the damaged main shaft and lifting mechanism, which dated back 93 years. With repairs now complete, PortsToronto and the City of Toronto are focusing on continuing the rehabilitation program to revitalize a vital element of marine and vehicle transportation infrastructure, which enables the transfer of cargo from the Port into the City of Toronto and surrounding area.

Ship Channel Bridge 1931



PORTS
TORONTO

PURPOSE.

INTELLECTUAL CAPITAL MANAGEMENT



The pursuit of bold solutions lies at the heart of PortsToronto's vision. We operate in a complex sector that has undergone dramatic paradigm shifts over the last few decades, making innovation a non-negotiable to ensure the resilience of our business. Embracing digitization and new technologies, while focusing on intangibles, allows us to stay true to our purpose of delivering bold solutions for connectivity, economic opportunity and quality of life in the region.

DATA PRIVACY & CYBERSECURITY

PortsToronto is committed to preserving the integrity of the data we collect from our customers, employees, contractors and suppliers. Our data privacy and cybersecurity program is underpinned by a cybersecurity awareness policy, which details our responsibilities in keeping our staff abreast on cybersecurity best practices, and outlines expectations from them during implementation. The policy also describes training and disciplinary requirements in cases of non-compliance, to keep us secure in the rapidly evolving threat landscape.

To strengthen our first line of defence, we also kicked off mandatory cyber security awareness training for our staff in 2024. Two versions of this training were rolled out tailored to different participant groups, and refreshed our staff's knowledge on identifying phishing attacks, the secure use of mobile and IT devices, and prevention of malware attacks. 110 learners were trained in the reporting period.

INNOVATION

Innovation has been integral to our success, having allowed us to thrive for over a century, which has seen massive changes in technology, customer preferences and regulations. In 2024, we forged a strategic partnership with Plug and Play, a leading global innovation platform based in Silicon Valley, which will help us adopt cutting-edge digital solutions and accelerate innovation at our business units.

Through this partnership, PortsToronto will tap into Plug and Play's resources to power our digital transformation, connect with global tech leaders, and exchange innovative best practices with other organizations to deliver bold solutions for multi-modal connectivity, sustainability, customer experience, and economic opportunity.

"Having owned and operated the marine Port of Toronto for more than a century and Billy Bishop Toronto City Airport for 86 years, PortsToronto has continuously brought a mindset of innovation and optimization to its businesses. By joining forces with Plug and Play, we hope to enhance this spirit of innovation for the benefit of our passengers, stakeholders and business partners. We are in the early stages of this accelerated innovation and digitization journey but look forward to delivering solutions that will enhance the travel experience for our passengers, drive efficiencies in our operations, and build on Toronto's reputation as a global tech and innovation centre."

- RJ Steenstra, President & CEO



INTELLECTUAL CAPITAL MANAGEMENT



KNOWLEDGE SHARING & ENGAGEMENT

Connectivity is more important than ever today, and the transportation sector plays an integral role in growing knowledge economies. Not only do organizations like ours connect people and ideas to each other, but effective transportation networks support the growth of other knowledge-intensive industries by strengthening supply chains, talent pools and professional and academic networks. We engage with academia, industry associations and trade and commerce bodies to enhance sustainability, pioneer innovation, share knowledge, and generate shared value.

KEY MEMBERSHIPS & AFFILIATIONS

- Airports Council International
- Association of Canadian Port Authorities
- Aquatic Habitat Toronto
- Boating Ontario
- Canadian Airports Council
- Canadian Chamber of Commerce
- Canadian Manufacturers & Exporters
- Chamber of Marine Commerce
- Clean Marine
- Destination Toronto
- Great Lakes Cruise Industry Association
- Green Marine
- International Trash Trapping Network
- Mission to Seafarers Southern Ontario
- Ontario Chamber of Commerce
- Toronto Inner Harbour Floatables Strategy
- Toronto Region Board of Trade
- Tourism Industry Association of Canada
- Tourism Industry Association of Ontario

PIONEERING SUSTAINABILITY IN FIRE FIGHTING

Commonly known as 'forever chemicals', per- and polyfluoroalkyl substances (PFAS) are found in aqueous film-forming foam (AFFF) and have been linked to harmful impacts on human health and the environment.

Billy Bishop Toronto City Airport started the search for PFAS/AFFF-free foam for its firefighting efforts in 2019, looking for environmentally friendly solutions that offered the same levels of extinguishment, burn back and sealability times as legacy formulations. We became the first commercial airport in North America whose firefighting operations transitioned to PFAS-free foam, which breaks down in less than 90 days, as opposed to PFAS, which can take thousands of years to dissipate.

In 2023, we also transitioned our annual foam concentrate distance testing to input-based testing. This new method utilizes computer-based modeling to predict how much foam would be used and allows us to test our fire trucks with water, reducing the quantity of PFAS-free foam used in our operations as well.

Additionally, PortsToronto's Deputy Fire Chief is the Sectional Director of Section 8 of the Aircraft Rescue & Fire Fighting Working Group (ARFFWG). Founded in 1990, ARFFWG is a non-profit dedicated to aviation fire protection and prevention that facilitates knowledge-sharing and collaboration to prevent and mitigate the impacts of aviation fire.



INTELLECTUAL CAPITAL MANAGEMENT



As a self-sufficient government business enterprise, PortsToronto has long reinvested revenues to fund the development and improvement of critical infrastructure. We believe the effective management of our financial capital allows us to deliver on our multifaceted commitment to the communities in which we live and work. We continue to make investments at each of our business units to reimagine transportation for safety, sustainability, connectivity and shared prosperity.

INDIRECT ECONOMIC IMPACT

Billy Bishop Toronto City Airport

Located just minutes away from the downtown core, Billy Bishop Toronto City Airport provides the connectivity and opportunities that make Toronto a world-class city. Regarded for its convenience and passenger experience, the airport is also a base for Ornge, which provides province-wide air ambulance and medical transport services to those who are critically ill or injured. In 2024, Ornge carried out 4,741 medevac flights from Billy Bishop Toronto City Airport.

Billy Bishop Toronto City Airport supports 4,450 jobs, 2,080 of which are directly associated with the airport's operations, to drive a total economic output of over \$2.1 billion. Our strong emphasis on operational excellence and customer service helps the airport enhance its contribution to the economy, while also gaining recognition from passengers and Torontonians.

"The Billy Bishop Toronto City Airport team endeavours to provide an excellent customer experience for passengers, while also ensuring the wellbeing of our planet and the communities within which we operate. Operating a cleaner, greener and quieter airport lies at the heart of our ambitions, and we work with all our partners at the airport and various levels of government to ensure we can reimagine transportation for a more sustainable future."

- Warren Askew, Vice President, Billy Bishop Toronto City Airport



Named Canada's Best Airport in 2024 AirHelp Score Report.



85 PER CENT

Survey respondents who agree that Billy Bishop Toronto City Airport's environmental initiatives are important.



98 PER CENT

Airport customer satisfaction.



80 PER CENT

Survey respondents who support the addition of new destinations from Billy Bishop Toronto City Airport across Canada and the United States.



77 PER CENT

Survey respondents who agreed that Billy Bishop Toronto City Airport is a valuable asset for Toronto and an important gateway that supports business and tourism.

INTELLECTUAL CAPITAL MANAGEMENT



Port of Toronto

The Port of Toronto drives economic activity in sectors including – but not limited to – trade, tourism, construction, and film and television. Blending seamlessly into Toronto’s iconic waterfront, the Port provides marine connectivity into the heart of the city, serving as the gateway for thousands of cruise travellers and essential marine cargo. One of Canada’s largest major inland ports, it is also a hub for film and television production, located just minutes away from Canada’s centre for business, finance, tech and healthcare innovation.

Marine Shipping – a Green Transportation Alternative

A litre of fuel can be used to transport one tonne of freight 240 kilometres by ship, but only 30 kilometres by truck. In 2024, marine cargo transiting through the Port of Toronto removed the equivalent of approximately 51,000, 40-tonne trucks from the GTA’s congested roads and highways.

“Marine ports play a key role in driving economic prosperity, and the Port of Toronto is no exception. Our policies, operations and ESG initiatives contribute to the United Nations Sustainable Development Goals of reduced inequalities, sustainable cities and communities, climate action and industry, innovation and infrastructure. As we work to elevate the Port’s economic vitality and sustainability, the welfare of our communities and planet remains a key priority for PortsToronto.”

- Captain Satinder Singh, Vice President, Marine



ONE = 875



18,000

Passengers welcomed to Toronto on 34 cruise ships in 2024.



\$463.5 MILLION

Economic activity generated by marine cargo at the Port in 2022.



673

Jobs directly generated by marine cargo and vessel activity at the Port of Toronto.



2,056,924 METRIC TONNES

Cargo delivered to the Port in 2024, taking approximately 51,000, 40-tonne trucks off the road.



\$79.1 MILLION

Taxes generated by cargo and vessel activity at the Port in 2022.



USD \$325 MILLION

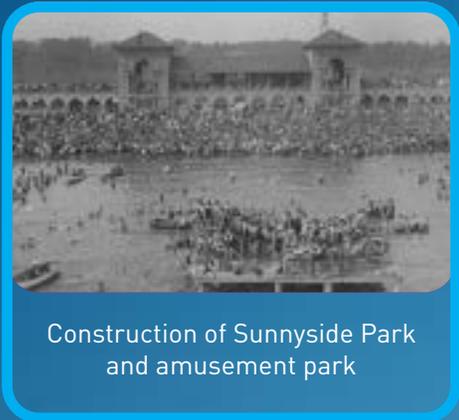
Estimated economic value generated by cruising in the Great Lakes in 2023.¹

¹ Great Lakes & St. Lawrence Region Announces Record-Breaking 2023 Cruise Ship Season, Cruise the Great Lakes, May 4, 2023. [Link](#).

INTELLECTUAL CAPITAL MANAGEMENT



Beyond our business units, PortsToronto's contributions to city building over the years include, but are not limited to:



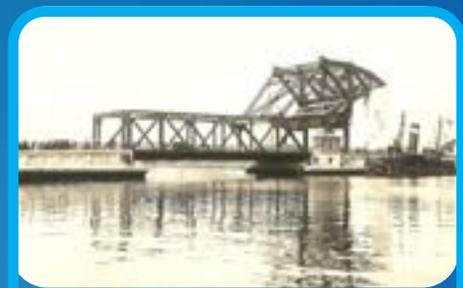
Construction of Sunnyside Park and amusement park



Building of the Quays that extend into the Toronto Bay, from the Bathurst Quay to the west side of Bay Street, and the areas between Bay Street and Yonge Street



Construction of Toronto's first civil air harbor and commercial seaplane base



Construction of the Ship Channel Bridge



Expansion of the Toronto Islands to create recreational space for Torontonians



Construction of the Leslie Street Spit

INTELLECTUAL CAPITAL MANAGEMENT



ECONOMIC PERFORMANCE

Though PortsToronto operates as a self-sufficient and self-sustaining entity, the inextricable link between our growth and that of our communities drives us to prioritize responsible and effective management of our financial capital. Sound financial performance allows us to maximize our investments in our environmental and community initiatives, innovation, and the prosperity of all our stakeholders.

A snapshot of our direct economic contribution in 2024 is provided below, with more detailed information available in the 'Management Discussion & Analysis' and 'Consolidated Financial Statements' that follow.

Economic Value Generated (EVG) (in \$ thousands)	2024	2023
Revenue	81,305	71,081
Economic Value Distributed	2024	2023
Operating costs	27,970	22,516
Employee wages and benefits	14,653	13,662
Payments to providers of capital	4,230	4,650
Payments to government	8,477	7,031
Community investments	1,227	697
Total Economic Value Distributed (EVD)	56,557	48,556
Economic Value Retained	2024	2023
Economic Value Retained (EVG – EVD)	24,748	22,525

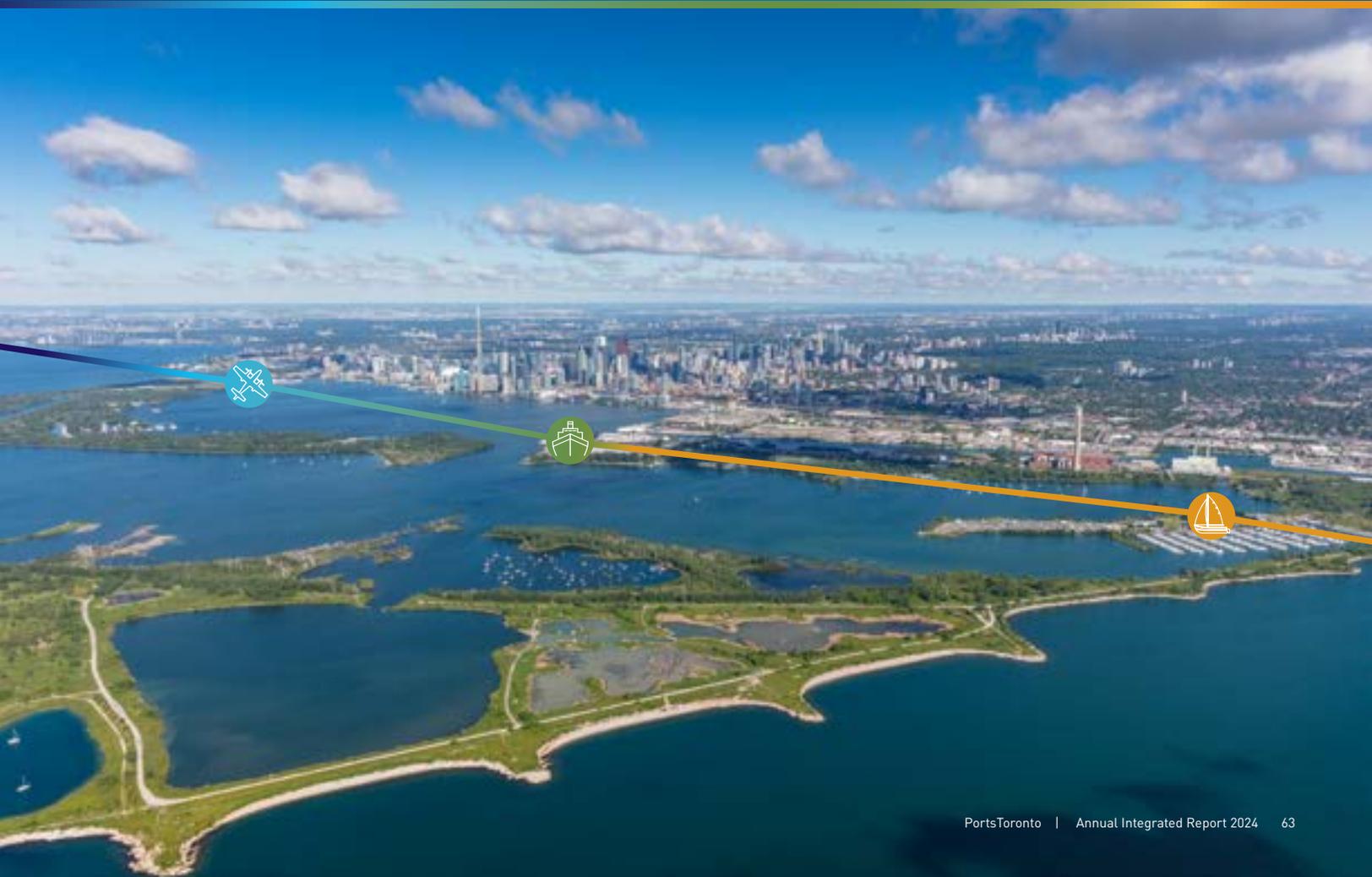
“PortsToronto businesses serve as foundational economic engines along the Toronto waterfront, driving billions in regional economic activity and powering key industries. In 2024, PortsToronto continued its legacy of building connections and supporting the movement of travellers, goods, investment, and commercial activity in and out of Canada’s largest city. At the same time, we are enhancing resilience through strategic investments in essential infrastructure and committing resources to long-term environmental sustainability that will benefit generations to come.”

- John Peellegoda, Chief Financial Officer and Senior Vice President of Strategy



PORTS TORONTO

2024 MANAGEMENT DISCUSSION & ANALYSIS



2024 MANAGEMENT DISCUSSION & ANALYSIS

FINANCIAL HIGHLIGHTS

(in \$ millions)

	2024	2023	Change	%
Revenues	81.3	71.1	10.2	14.3
Operating Expenses	63.8	54.9	8.9	16.2
EBITDA	29.0	27.2	1.8	6.6
Net Income	17.0	9.3	7.7	82.8
Capital Investment	19.7	13.0	6.7	51.5

Growth in revenue and EBITDA is primarily driven by the increase in operational revenues that helped offset increased costs to support operations and fund efforts to continue execution on the strategic plan.

NET INCOME TO EBITDA SUMMARY

(in \$ millions)

	2024	2023	Change	%
Net Income	17.0	9.3	7.7	82.8
Less: Investment income	(6.0)	(5.3)	(0.7)	13.2
Add: Interest Expense	4.2	4.7	(0.5)	(10.6)
Add: Other Provisions	2.2	7.5	(5.3)	(70.7)
Earnings before interest, financing costs and other items	17.5	16.2	1.3	8.0
Add: Amortization	11.5	11.0	0.5	4.5
EBITDA	29.0	27.2	1.8	6.6

Consolidated EBITDA in 2024 increased to \$29.0 million representing a 6.6 per cent increase over 2023. The increase is primarily a result of the increase in operational revenues that helped offset increased costs to support operations, salaries, wages and benefits and increased PILT payments.

KEY HIGHLIGHTS



REVENUE:
\$81.3 million

Consolidated revenue increased 14.3% to \$81.3 million in 2024, compared to \$71.1 million in 2023.



EBITDA¹:
\$29.0 million

Consolidated earnings before interest, taxes, depreciation and amortization (EBITDA) increased 6.6% to \$29.0 million in 2024, compared to \$27.2 million in 2023.



CAPITAL INVESTMENT:
\$19.7 million

Capital Investments relating to property and equipment totalled \$19.7 million in 2024, compared to \$13.0 million in 2023.

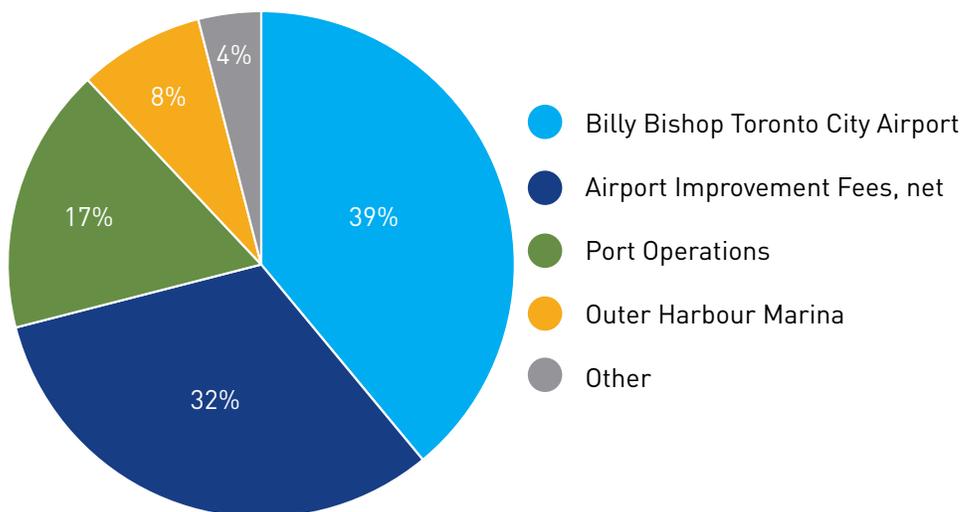
¹ Earnings before interest, tax, depreciation and amortization is a non-IFRS measure.

2024 MANAGEMENT DISCUSSION & ANALYSIS

REVENUES

(in \$ millions)

	2024	2023	Change	%
Billy Bishop Toronto City Airport	31.9	27.9	4.0	14.3
Airport Improvement Fees, net	25.5	25.0	0.5	2.0
Port Operations	13.7	7.9	5.8	73.4
Outer Harbour Marina	6.7	6.7	-	-
Other	3.5	3.6	(0.1)	(2.8)
Total Revenues	81.3	71.1	10.2	14.3



Billy Bishop Toronto City Airport revenues, which makes up 39 per cent of total revenues, increased to \$31.9 million as compared to \$27.9 million during the prior year, an increase of \$4.0 million. The increase was primarily related to increased cost recoveries through Airport Operating fees, Ferry Services and Landing fees.

Airport Improvement Fee revenues, which makes up 32 per cent of total revenues, increased to \$25.5 million in 2024, slightly higher than the \$25.0 million in 2023 primarily due to a change in the mix of passengers as 2024 experienced a slightly higher proportion of enplaned passengers.

The Port of Toronto, which represented 17 per cent of total revenues, increased to \$13.7 million in 2024 as compared to \$7.9 million in 2023, an increase of \$5.8 million given berthing, cargo and other marine service activity.

Outer Harbour Marina, which represents 8 per cent of total revenues, remained unchanged from the prior year at \$6.7 million. This was due to higher fuel sales and slip revenues offset by lower storage in the year.

BILLY BISHOP
TORONTO CITY AIRPORT

39% OF TOTAL REVENUES

Billy Bishop Toronto City Airport revenues increased to \$31.9 million as compared to \$27.9 million during the prior year, an increase of \$4.0 million.

PORT OF TORONTO

17% OF TOTAL REVENUES

Port of Toronto revenues increased to \$13.7 million in 2024 as compared to \$7.9 million in 2023.

OUTER HARBOUR Marina

8% OF TOTAL REVENUES

Outer Harbour Marina revenues remained unchanged from the prior year at \$6.7 million.

2024 MANAGEMENT DISCUSSION & ANALYSIS

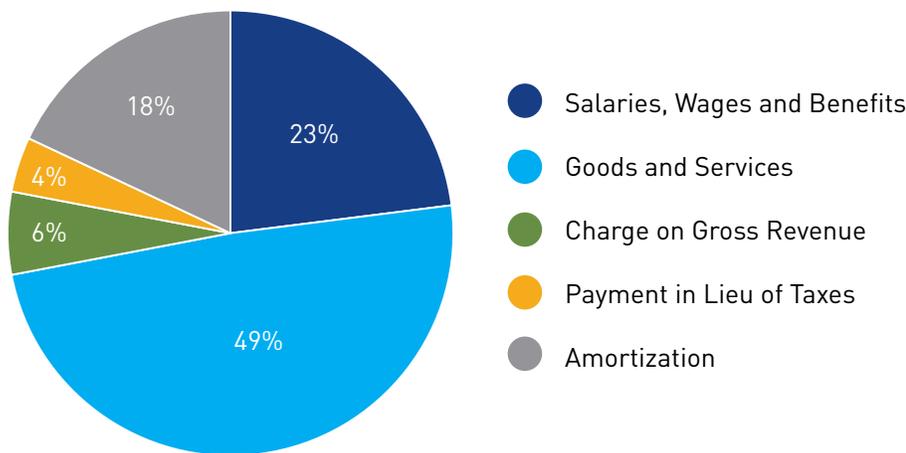
OPERATING EXPENSES

Operating expenses include the costs to operate and maintain PortsToronto's operations, as well as payments in lieu of taxes (payments made to the City of Toronto, in which PortsToronto operates and a charge on gross revenue paid to Transport Canada on an annual basis.

OPERATING EXPENSES

(in \$ millions)

	2024	2023	Change	%
Salaries, wages and benefits	14.7	13.7	1.0	7.3
Goods and services	31.5	25.5	6.0	23.5
Charge on gross revenue	3.6	3.5	0.1	2.9
Payment in lieu of taxes	2.5	1.2	1.3	108.3
Amortization	11.5	11.0	0.5	4.5
Total Operating Expenses	63.8	54.9	8.9	16.2

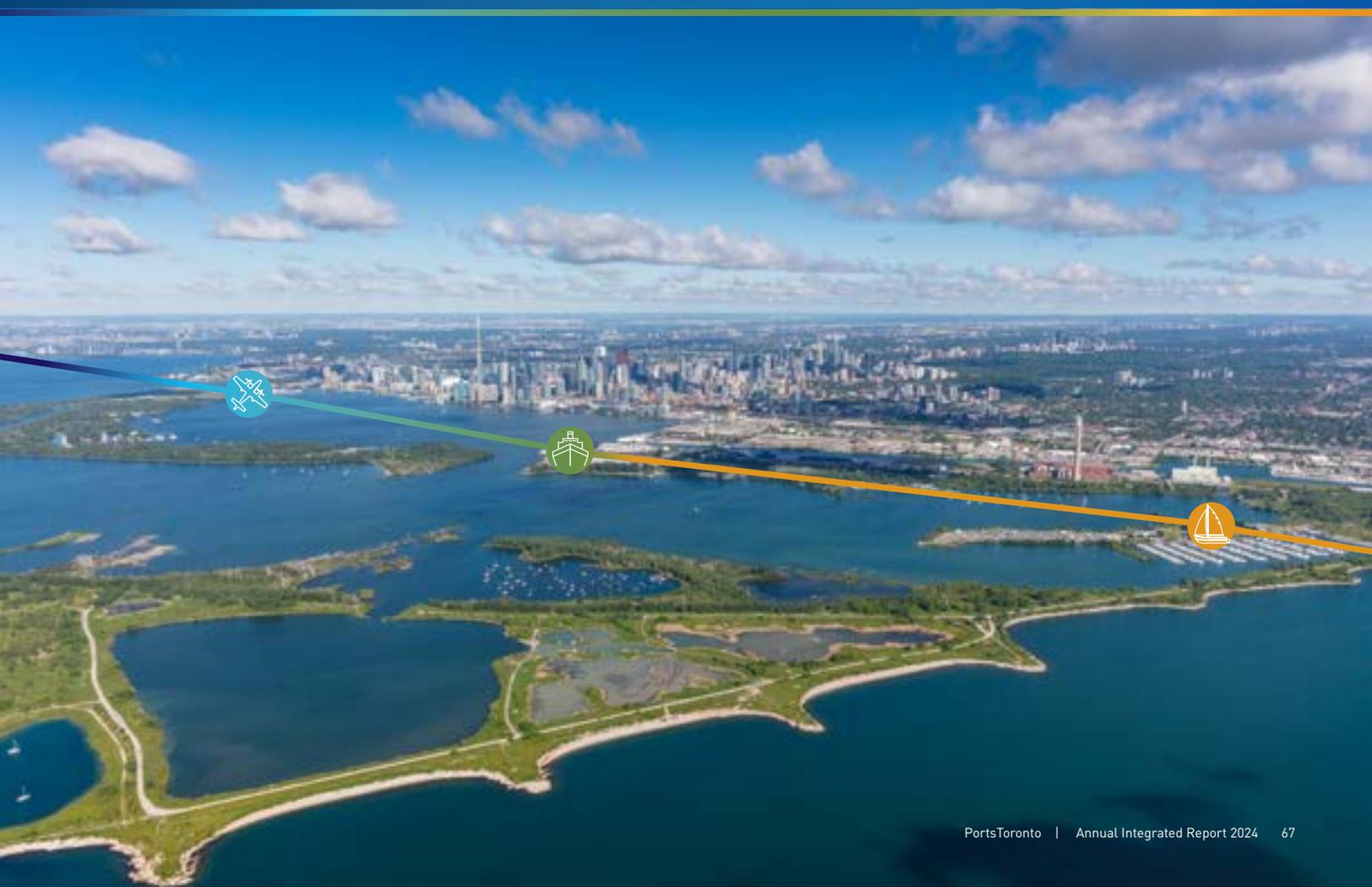


Operating expenses in 2024 totalled \$63.8 million or 16.2 per cent higher when compared to the \$54.9 million total in 2023. The increases in salaries, wages & benefits, and goods and services related costs were needed due to increased activity at the airport, marine port and marina coupled with inflationary cost increases have been the primary drivers for the increased costs in 2024.

The increase in payment in lieu of taxes was disproportionately related to the increased passenger activity at Billy Bishop Toronto City Airport as it was based on the 2022 passenger levels which increased significantly when compared to the same period in 2021.

PORTS TORONTO

2024 FINANCIAL STATEMENTS



Consolidated financial statements of Toronto Port Authority

December 31, 2024

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Independent Auditor's Report

To the Board of Directors of the
Toronto Port Authority

Opinion

We have audited the consolidated financial statements of Toronto Port Authority (the "Port Authority"), which comprise the consolidated statement of financial position as at December 31, 2024, and the consolidated statement of operations and comprehensive income, consolidated statement of changes in equity and consolidated statement of cash flows for the year then ended, and notes to the consolidated financial statements, including a summary of material accounting policy information (collectively referred to as the "financial statements").

In our opinion, the accompanying consolidated financial statements present fairly, in all material respects, the financial position of the Port Authority as at December 31, 2024, and the results of its operations, changes in equity, and its cash flows for the year then ended in accordance with IFRS Accounting Standards as issued by the International Accounting Standards Board ("IASB").

Basis for Opinion

We conducted our audit in accordance with Canadian generally accepted auditing standards ("Canadian GAAS"). Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Financial Statements* section of our report. We are independent of the Port Authority in accordance with the ethical requirements that are relevant to our audit of the financial statements in Canada, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Responsibilities of Management and Board of Directors for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with IFRS Accounting Standards as issued by the IASB, and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is responsible for assessing the Port Authority's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Port Authority or to cease operations, or has no realistic alternative but to do so.

The Board of Directors is responsible for overseeing the Port Authority's financial reporting process.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with Canadian GAAS will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with Canadian GAAS, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Port Authority's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Port Authority's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Port Authority to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Plan and perform the group audit to obtain sufficient appropriate audit evidence regarding the financial information of the entities or business units within the Port Authority as a basis for forming an opinion on the financial statements. We are responsible for the direction, supervision and review of the audit work performed for purposes of the group audit. We remain solely responsible for our audit opinion.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

Deloitte LLP

Chartered Professional Accountants
Licensed Public Accountants
April 24, 2025

Toronto Port Authority**Consolidated statement of financial position**

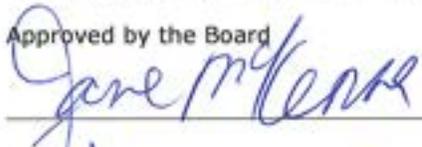
As at December 31, 2024

(In thousands of Canadian dollars)

	Notes	2024 \$	2023 \$
Assets			
Current assets			
Cash and cash equivalents		3,964	4,801
Short-term investments		82,101	53,480
Accounts receivable (net)	3	15,403	11,970
Tunnel Prepaid Amount	15	8,983	8,998
Prepaid expenses		1,079	1,244
Other current assets		256	1,061
		111,786	81,554
Non-current assets			
Long-term investments	3	25,160	51,275
Employee future benefits	7	18,581	11,686
Right-of-use assets	5	939	1,880
Capital assets	6	229,853	227,363
Total assets		386,319	373,758
Liabilities			
Current liabilities			
Accounts payable and accrued liabilities	3	43,393	43,099
Bank loans	8	2,276	2,280
Lease liability	5	340	388
Tunnel concession liability	4 and 15	3,812	3,586
Unearned revenue		2,239	7,302
		52,060	56,655
Non-current liabilities			
Bank loans	8	19,929	22,203
Lease liability	5	733	1,715
Tunnel concession liability	4 and 15	43,225	47,037
Employee future benefits	7	1,587	2,051
Total liabilities		117,534	129,661
Equity			
		268,785	244,097
		386,319	373,758

The accompanying notes are an integral part of the consolidated financial statements.

Approved by the Board


 _____, Director


 _____, Director

Toronto Port Authority
Consolidated statement of operations and comprehensive income
Year ended December 31, 2024
(In thousands of Canadian dollars)

	Notes	2024 \$	2023 \$
Operating revenue			
Port, Outer Harbour Marina, Airport and property	16	55,800	46,100
Airport improvement fees, net	10	25,505	24,981
		81,305	71,081
Operating expenses			
Salaries wages and benefits		14,653	13,662
Goods and Services	18	31,576	25,553
Charge on gross revenue		3,625	3,526
Payments in lieu of taxes		2,473	1,165
Amortization of right-of-use and capital assets		11,499	10,971
		63,826	54,877
Earnings before interest, financing costs and other items			
		17,479	16,204
Investment income		5,955	5,290
Interest expense		(4,230)	(4,650)
Provision for Leslie Street Spit Hardpoint J & Other Obligations	13	(2,200)	(7,533)
Net income for the year		17,004	9,311
Changes in fair value of interest rate swap due to hedge accounting – loss on interest rate swap – effective portion			
	8 (b)	(131)	(122)
Remeasurement gain on employee future benefits	7	7,815	1,201
Other comprehensive income		7,684	1,079
Comprehensive income for the year		24,688	10,390

The accompanying notes are an integral part of the consolidated financial statements.

Toronto Port Authority
Consolidated statement of changes in equity

Year ended December 31, 2024

(In thousands of Canadian dollars)

	Notes	Net assets over liabilities \$	Accumulated other comprehensive income \$	Total equity \$
Balance, December 31, 2022		204,275	29,432	233,707
Net income		9,311	—	9,311
Remeasurement gain on employee future benefits	7	—	1,201	1,201
Loss on interest rate swap – effective portion	8 (b)	—	(122)	(122)
Balance, December 31, 2023		213,586	30,511	244,097
Net income		17,004	—	17,004
Remeasurement gain on employee future benefits	7	—	7,815	7,815
Loss on interest rate swap – effective portion	8 (b)	—	(131)	(131)
Balance, December 31, 2024		230,590	38,195	268,785

The accompanying notes are an integral part of the consolidated financial statements

Toronto Port Authority
Consolidated statement of cash flows

Year ended December 31, 2024

(In thousands of Canadian dollars)

	Notes	2024 \$	2023 \$
Operating activities			
Net income for the year		17,004	9,311
Adjustments for non-cash items			
Gain on sale of other capital assets		—	(24)
Amortization of capital assets	6	11,119	10,597
Amortization of right-of-use asset	5	380	374
Employee future benefits expense	7	1,100	661
Employer contribution to employee future benefit plans	7	(644)	(1,510)
Interest expense		4,239	4,663
Gain on interest rate swap – ineffective portion	8 (b)	(9)	(13)
Bank interest paid		(1,176)	(1,375)
Interest paid on Tunnel concession liability		(2,998)	(3,210)
		29,015	19,474
Net change in non-cash working capital balances related to operations	17	(7,432)	10,760
		21,583	30,234
Investing activities			
Acquisition of short-term investments		(83,144)	(56,449)
Disposal of short-term investments		54,523	52,947
Acquisition of long-term investments		(19,983)	(33,149)
Disposal of long-term investments		46,098	16,173
Acquisition of capital assets		(19,669)	(13,017)
Capital funding received		6,059	1,366
Proceeds from sale of other capital assets		—	43
		(16,116)	(32,086)
Financing activities			
Prepaid threshold –Tunnel deposit		15	(450)
Lease amount paid		(455)	(452)
Tunnel concession liability		(3,586)	(3,374)
Bank loan principal payments		(2,278)	(2,280)
		(6,304)	(6,556)
Decrease in cash position		(837)	(8,408)
Cash and cash equivalents, beginning of year		4,801	13,209
Total cash and cash equivalents, end of year		3,964	4,801
Cash and cash equivalents consist of			
Cash		3,855	4,758
Cash equivalents		109	43
		3,964	4,801

The accompanying notes are an integral part of the consolidated financial statements.

Toronto Port Authority

Notes to the consolidated financial statements

December 31, 2024

(In thousands of Canadian dollars)

1. General information and Canada Marine Act status

The Toronto Port Authority ("Port Authority") is an entity operating pursuant to Letters Patent issued by the Federal Minister of Transport. The Port Authority is a corporation without share capital. Its head office is located at 207 Queens Quay West, Toronto, Ontario. Effective June 8, 1999, the Port Authority was incorporated under the Canada Marine Act. Formerly, the Port Authority was constituted as the Toronto Harbour Commissioners ("Commissioners") and operated under The Toronto Harbour Commissioners Act of 1911. On January 19, 2015, the Toronto Port Authority was rebranded as PortsToronto.

The Port Authority is focused on its mission as a financially self-sustaining business enterprise providing economic, environmental and social benefits to the waterfront community in which it operates. These benefits are delivered under four organizational values or pillars, which are: City Building, Community, Environmental and Financial.

The Port Authority has several businesses, including:

- Port Operations, which include land and facilities providing docking, handling, distribution and storage services for cargo, container shipping related services, cruise ship passenger services, and facilities for film production. This operation, supported by the Works Department provides harbour maintenance and aids to navigation, as well as exercising regulatory authority over the harbour by-laws. The Toronto Port Authority has jurisdiction over the navigational waters from Victoria Park Avenue to Humber River.
- The Outer Harbour Marina, a fullservice marina located near the foot of Leslie Street.
- Billy Bishop Toronto City Airport ("BBTCA") operations, which include a Pedestrian Tunnel ("Tunnel"), ferry service, ferry terminals, runways and tenanted properties to support scheduled commercial passenger flight service, charter services and a flight school.
- Real Estate and Property Administration, which includes development and management of lands under its control.

The financial statements were authorized for issue by the Board of Directors on April 24, 2025.

2. Material accounting policy information

Statement of compliance

The consolidated financial statements have been prepared by management in accordance with IFRS® Accounting Standards as issued by the International Accounting Standards Board ("IASB"). The principal accounting policies applied in the preparation of these consolidated financial statements are set out below. These policies have been consistently applied to the years presented. The Port Authority and its Board of Directors have, at the time of approving the consolidated financial statements, a reasonable expectation that the Port Authority has adequate resources to continue in operational existence for the foreseeable future. Thus, the going concern basis of accounting has been adopted in preparing the consolidated financial statements.

Basis of consolidation

These consolidated financial statements contain the results of the Port Authority for the year ended December 31, 2024, as well as its wholly owned subsidiary, 2315155 Ontario Inc. 2315155 Ontario Inc. was incorporated on March 8, 2012 to lease a portion of the Canada Malting silos adjacent to the Tunnel Pavilion.

Toronto Port Authority
Notes to the consolidated financial statements

December 31, 2024

(In thousands of Canadian dollars)

2. Material accounting policy information (continued)

Basis of presentation

The Port Authority's functional currency is Canadian dollars. The consolidated financial statements are also presented in Canadian dollars, rounded to the nearest thousand.

The consolidated financial statements have been prepared on the historical cost basis (except for financial instruments measured at fair value and amortized cost). Historical cost is generally based on the fair value of the consideration given in exchange for assets.

Cash and cash equivalents

Cash and cash equivalents include cash on hand, balances with the bank and short-term investments, which are readily convertible to cash and have an original term to maturity of 90 days or less.

Financial instruments

Financial assets and financial liabilities are recognized when the Port Authority becomes a party to the contractual provisions of the instrument. Financial assets and financial liabilities are initially measured at fair value. Transaction costs directly attributable to the acquisition of financial assets or financial liabilities at fair value through profit or loss ("FVTPL") are recognized immediately in profit or loss.

The Port Authority's financial assets and financial liabilities are classified and measured as follows:

Asset/liability	Measurement
Cash and cash equivalents	Amortized cost
Short-term investments	Amortized cost
Long-term investments	Amortized cost
Long-term receivable	Amortized cost
Accounts receivable	Amortized cost
Accounts payable and accrued liabilities	Amortized cost
Fair value of interest rate swap designated in cash flow hedge	FVTPL for ineffective portion, and FVTOCI for effective portion
Bank loans	Amortized cost
Tunnel concession liability	Amortized cost

Financial assets

Financial assets are classified into the following specified categories: financial assets at fair value through profit or loss (FVTPL), amortized cost, or financial assets at fair value through other comprehensive income (FVTOCI). The classification depends on the nature and purpose of the financial assets and is determined at the time of initial recognition. All regular way purchases or sales of financial assets are recognized and derecognized on a trade date basis. Regular way purchases or sales are purchases or sales of financial assets that require delivery of assets within the time frame established by regulation or convention in the marketplace.

Under IFRS 9, all financial instruments are initially measured at fair value, with subsequent measurement determined in line with their classification.

Toronto Port Authority
Notes to the consolidated financial statements

December 31, 2024

(In thousands of Canadian dollars)

2. Material accounting policy information (continued)

Financial instruments (continued)

Amortized cost

Financial assets are measured at amortized cost if the financial asset is held within a business model whose objective is to hold financial assets in order to collect contractual cash flows, and the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

Effective interest method

The effective interest method is a method of calculating the amortized cost of a debt instrument and of allocating interest income over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash receipts (including all fees paid or received that form an integral part of the effective interest rate, transaction costs and other premiums or discounts) through the expected life of the debt instrument, or, where appropriate, a shorter period, to the net carrying amount on initial recognition.

Income is recognized on an effective interest basis for debt instruments other than those financial assets classified as FVTPL.

Fair value through other comprehensive income (FVTOCI)

Financial assets are measured at FVTOCI if the financial asset is held within a business model whose objective is achieved by both collecting contractual cash flows and selling financial assets and the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

Financial assets at FVTOCI are stated at fair value at the end of each reporting period with changes in the fair value recognized in other comprehensive income.

Fair value through profit and loss (FVTPL)

Financial assets are measured at FVTPL unless they meet the criteria above to be measured at amortized cost or FVTOCI.

Impairment of financial assets

Under IFRS 9, financial assets under all categories are assessed for impairment based on the expected loss model. The expected loss model requires a loss allowance to be recorded at an amount equal to:

- (a) the 12-month expected credit losses (expected credit losses that result from those default events on the financial instrument that are possible within 12 months after the reporting date); or
- (b) the lifetime expected credit losses (expected credit losses that result from all possible default events over the life of the financial instrument).

A loss allowance for lifetime expected credit losses is required for a financial instrument if the credit risk on that financial instrument has increased significantly since initial recognition. It is also required for contract assets or trade receivables that are not, according to IFRS 15, considered to contain a significant financing component. As at December 31, 2024, the Port Authority does not hold any financial instruments that exhibit such an increase in risk to warrant a loss allowance for lifetime expected credit losses.

Toronto Port Authority
Notes to the consolidated financial statements

December 31, 2024

(In thousands of Canadian dollars)

2. Material accounting policy information (continued)

Financial instruments (continued)

Impairment of financial assets (continued)

Additionally, entities can elect an accounting policy of recognizing lifetime expected credit losses for all contract assets and/or all trade receivables, including those that contain a significant financing component. The same election is also separately permitted for lease receivables. The Port Authority has not made this election.

For all other financial instruments, expected credit losses are measured at an amount equal to the 12-month expected credit losses. As at December 31, 2024, the only financial asset for which a loss allowance has been recorded equal to the 12-month expected credit losses is accounts receivable, through the allowance for doubtful accounts.

Measurement of expected credit losses

The measurement of expected credit losses reflects an unbiased and probability-weighted amount that is determined by evaluating the range of possible outcomes as well as incorporating the time value of money. The Port Authority also considers reasonable and supportable information about past events, current conditions and reasonable and supportable forecasts of future economic conditions when measuring expected credit losses.

Derecognition of financial assets

The Port Authority derecognizes a financial asset only when the contractual rights to the cash flows from the asset expire, or when it transfers the financial asset and substantially all the risks and rewards of ownership of the asset to another entity. If the Port Authority neither transfers nor retains substantially all the risks and rewards of ownership and continues to control the transferred assets, the Port Authority recognizes its retained interest in the asset and an associated liability for amounts it may have to pay. If the Port Authority retains substantially all the risks and rewards of ownership of a transferred financial asset, the Port Authority continues to recognize the financial asset and also recognizes a collateralized borrowing for the proceeds received. On de-recognition of a financial asset in its entirety, the difference between the asset's carrying amount and the sum of the consideration received and receivable and the cumulative gain or loss that had been recognized in other comprehensive income and accumulated in equity is recognized in profit or loss.

Other financial liabilities

Other financial liabilities (including borrowings and trade and other payables) are initially measured at fair value net of transaction costs. Subsequently, they are measured at amortized cost using the effective interest method.

Derecognition of financial liabilities

The Port Authority derecognizes financial liabilities when, and only when, the Port Authority's obligations are discharged, cancelled or they expire. The difference between the carrying amount of the financial liability derecognized and the consideration paid and payable is recognized in profit or loss.

Toronto Port Authority
Notes to the consolidated financial statements

December 31, 2024

(In thousands of Canadian dollars)

2. Material accounting policy information (continued)

Financial instruments (continued)

Derivative financial instruments including hedge accounting

The Port Authority had entered into derivative financial instruments (interest rate swap) to manage its exposure to interest rate fluctuations as a result of its bank loans.

Derivatives are initially recognized at fair value at the date the derivative contracts are entered into and are subsequently remeasured to their fair value at the end of each reporting period. The resulting gain or loss is recognized in profit or loss immediately unless the derivative is designated and effective as a hedging instrument, in which event the timing of the recognition in profit or loss depends on the nature of the hedge relationship.

Transaction costs are expensed as incurred.

The Port Authority has designated its interest rate swap as a cash flow hedge and elected to apply the requirements of IAS 39 for hedge accounting, instead of the requirements in Chapter 6 of IFRS 9. At the inception of the hedge relationship, the Port Authority documented the relationship between the hedging instrument and the hedged item, along with its risk management objectives and its strategy for undertaking various hedge transactions. Furthermore, at the inception of the hedge and on an ongoing basis, the Port Authority documents whether the hedging instrument is highly effective in offsetting changes in fair values or cash flows of the hedged item attributable to the hedged risk.

The effective portion of changes in the fair value of derivatives that are designated and qualify as cash flow hedges are recognized in other comprehensive income. The gain or loss relating to the ineffective portion is recognized immediately in profit or loss. Amounts previously recognized in other comprehensive income and accumulated in equity are reclassified to profit or loss in the periods when the hedged item is recognized in profit or loss, in the same line of the statement of operations and comprehensive income as the recognized hedged item.

Hedge accounting is discontinued when the Port Authority revokes the hedging relationship, when the hedging instrument expires or is sold, terminated, or exercised, or when it no longer qualifies for hedge accounting. Any gain or loss recognized in other comprehensive income and accumulated in equity at that time remains in equity and is recognized when the forecast transaction is ultimately recognized in profit or loss. When a forecast transaction is no longer expected to occur, the gain or loss accumulated in equity is recognized immediately in profit or loss. For discontinued hedge accounting under a previous accounting framework, the loss accumulated in other comprehensive income is recognized in profit or loss on a straight-line basis.

Capital assets

Land acquired since 1974 is recorded at cost. Land acquired prior to 1974 was recorded based on historical appraised values.

All other capital assets are recorded at cost less amortization and any impairment losses, net of any applicable government funding.

Historical cost of property, plant and equipment includes expenditures that are directly attributable to the acquisition or construction of the items, including borrowing costs relating to the acquisition or construction.

Toronto Port Authority
Notes to the consolidated financial statements

December 31, 2024

(In thousands of Canadian dollars)

2. Material accounting policy information (continued)

Capital assets (continued)

Subsequent costs are included in the asset's carrying amount or recognized as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Port Authority and the cost of the item can be measured reasonably. Borrowing costs directly attributable to the acquisition, construction or production of a qualifying asset are capitalized during the period of time that it is necessary to complete and prepare the asset for its intended use. The carrying amounts of replaced capital assets are derecognized as incurred. All repairs and maintenance are charged to earnings during the period in which they are incurred.

Amortization of buildings, structures, plant and equipment is provided on the straight-line basis over the estimated useful lives of the assets.

No amortization is provided on land and capital work-in-progress.

Impairment of capital assets

Capital assets, which have long lives and are non-financial in nature are reviewed for impairment when events or changes in circumstances indicate that the carrying amount may not be recoverable. If such an indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss, if any. The recoverable amount is the higher of fair value less costs to sell and value-in-use. For the purposes of assessing impairment, assets are grouped at the lowest levels for which there are largely independent cash inflows, or cash generating units ("CGU's"). Where the asset does not generate cash flows that are independent from other assets, the Port Authority estimates the recoverable amount of the CGU to which the asset belongs. When the recoverable amount of an asset (or CGU) is estimated to be less than its carrying amount, the carrying amount is reduced to the recoverable amount and an impairment loss is recognized. Impairment losses are recognized as an expense immediately in profit or loss. An impairment charge is reversed if the assets' (or CGUs) recoverable amount exceeds its carrying amount.

Government capital funding

Capital payments, received from various governments and their agencies, whose primary condition is that the Port Authority should purchase, construct or otherwise acquire non-current assets are recognized as capital funding, netted as part of the capital assets in the consolidated statement of financial position and transferred to profit or loss on a systematic and rational basis over the useful lives of the related assets.

Leases

A lease is an agreement whereby the lessor conveys to the tenant (the lessee) in return for a payment or series of payments the right to use an asset, generally land and buildings for an agreed period of time.

(a) Port Authority as a lessor

Leases for which the Port Authority is a lessor are classified as finance or operating leases. Whenever the terms of the lease transfer substantially all the risks and rewards of ownership to the lessee, the contract is classified as a finance lease. All other leases are classified as operating leases. Operating lease rental revenue is recognized on a straight-line basis over the term of the lease. As at December 31, 2024, the Port Authority did not have any finance lease agreements.

Toronto Port Authority
Notes to the consolidated financial statements

December 31, 2024

(In thousands of Canadian dollars)

2. Material accounting policy information (continued)

Leases (continued)

(b) Port Authority as a lessee

The Port Authority assesses whether a contract is or contains a lease, at inception of the contract. The Port Authority recognizes a right-of-use asset and a corresponding lease liability with respect to all lease arrangements in which it is the lessee, except for short-term leases (defined as leases with a lease term of 12 months or less) and leases of low value assets (such as tablets and personal computers, small items of office furniture and telephones). For these leases, the Port Authority recognizes the lease payments as an operating expense on a straight-line basis over the term of the lease unless another systematic basis is more representative of the time pattern in which economic benefits from the leased assets are consumed.

The lease liability is initially measured at the present value of the lease payments that are not paid at the commencement date, discounted by using the rate implicit in the lease. If this rate cannot be readily determined, the Port Authority uses its incremental borrowing rate.

The lease liability is subsequently measured by increasing the carrying amount to reflect interest on the lease liability (using the effective interest method) and by reducing the carrying amount to reflect the lease payments made.

The right-of-use assets comprise the initial measurement of the corresponding lease liability, lease payments made at or before the commencement day, less any lease incentives received and any initial direct costs. They are subsequently measured at cost less accumulated depreciation and impairment losses.

Right-of-use assets are depreciated over the shorter period of lease term and useful life of the underlying asset. If a lease transfers ownership of the underlying asset or the cost of the right-of-use asset reflects that the Port Authority expects to exercise a purchase option, the related right-of-use asset is depreciated over the useful life of the underlying asset. The depreciation starts at the commencement date of the lease.

Tunnel concession liability

In 2012, the Port Authority entered into a Public-Private-Partnership to design, build, finance, operate and maintain the Tunnel to Billy Bishop Toronto City Airport for twenty years. The base contract price to construct the Tunnel was \$82.5 million and it was substantially complete and accepted by the Port Authority on May 29, 2015. The Tunnel was officially opened to the public and stakeholders on July 30, 2015. Title to the Tunnel will remain with the Port Authority throughout the term of the Agreement.

The Port Authority has capitalized construction costs as well as the present value of future Capital Lifecycle payments to be made over the term of the concession period (Expiry date April 8, 2034). The Port Authority has also recognized a liability for the Tunnel, equal to the construction cost of the asset less payments made. The present value calculations to determine the asset/liability is based on the weighted average cost of capital of 7.25%.

Toronto Port Authority
Notes to the consolidated financial statements

December 31, 2024

(In thousands of Canadian dollars)

2. Material accounting policy information (continued)

Employee future benefits

The Port Authority maintains a defined benefit pension plan, registered with the Office of the Superintendent of Financial Institutions (OSFI), for the benefit of full-time permanent employees (for non-unionized employees hired before November 25, 2013 and certain unionized employees). The Port Authority also offers a defined contribution pension plan for full-time non-unionized employees hired after November 24, 2013. Certain Plan members are also granted supplemental benefits, which mirror the formula of the registered plan and replace defined benefits that have been limited by the Income Tax Act. These supplemental benefits are unfunded. In addition, the Port Authority offers other non-pension post-employment benefits to most employees, including a death benefit, early retirement benefits and self-funded workers' compensation benefits. Beginning in 2018, the Port Authority established other employee future benefits for certain full-time employees provided that they remain employed with the Port Authority for a specified length of time. Obligations under the employee benefit plans are accrued as the employees render the service necessary to earn the pension and other employee future benefits.

The Port Authority has adopted the following policies for its defined benefit pension plan and other retirement benefits:

- (i) The cost of pensions and other retirement benefits earned by employees is actuarially determined using the projected unit credit method prorated on service and management's best estimate of expected plan investment performance, salary escalation, and retirement ages of employees.
- (ii) The fair value of plan assets is used as the basis of calculating the expected return on plan assets.
- (iii) The discount rate used to value the defined benefit obligation is based on high quality corporate bonds in the same currency in which the benefits are expected to be paid and with terms to maturity that, on average, match the terms of the defined benefit obligations.
- (iv) Actuarial gains and losses due to changes in defined benefit plan assets and obligations are recognized immediately in accumulated other comprehensive income (loss). When a restructuring of a benefit plan gives rise to both curtailment and settlement of obligations, the curtailment is accounted for prior to or in conjunction with the settlement.
- (v) When the calculation results in a net benefit asset, the recognized asset is limited to the total of any unrecognized past service costs and the present value of economic benefits available in the form of future refunds from the plan or reductions in future contributions to the plan (the "asset ceiling"). In order to calculate the present value of economic benefits, consideration is given to minimum funding requirements that apply to the plan. Where it is anticipated that the Port Authority will not be able to recover the value of the net defined benefit asset; after considering minimum funding requirements for future services, the net defined benefit asset is reduced to the amount of the asset ceiling. The impact of the asset ceiling is recognized in comprehensive income (loss).

Payments to defined contribution retirement benefit plans are recognized as an expense when employees have rendered services entitling them to the contributions.

Revenue recognition

Revenue from a contract to provide services is recognized in line with the transfer of promised services to a customer by reference to the stage of completion of the contract, and at an amount that reflects the consideration expected to be received in exchange for transferring such services. The Port Authority's policy for recognition of revenue from operating leases is described above in Note 2 for Leases, in accordance with IFRS 16.

Toronto Port Authority
Notes to the consolidated financial statements

December 31, 2024

(In thousands of Canadian dollars)

2. Material accounting policy information (continued)

Revenue recognition (continued)

Revenue from vessels, cargo and passengers using the port are recognized when services are substantially rendered. Landing fees and airport operating fees are recognized as the airport facilities are utilized. Airport improvement fees are recognized upon the enplanement of passengers. Seasonal berthing fees and storage fees earned at the Outer Harbour Marina are recognized on a straight-line basis over the term of the agreement and any unearned portion is reflected as unearned revenue.

Gross revenue charge

In order to maintain its Letters Patent in good standing, the Port Authority is required to pay annually to the Transport Canada a charge on gross revenue, which is calculated as follows:

	Charge %
Gross revenue	
up to \$10,000	2
on the next \$10,000	4
on the next \$40,000	6
on the next \$10,000	4
over \$70,000	2

Adoption of new and revised standards

New and amended IFRS Accounting Standards that are effective for the current year

In the current year, the Port Authority has applied several amendments to IFRS Accounting Standards issued by the International Accounting Standards Board ("IASB") that are mandatorily effective for an accounting period that begins on or after January 1, 2024. Their adoption has not had any material impact on the disclosures or on the amounts reported in these consolidated financial statements.

Amendments to IAS 1 – Presentation of Financial Statements - Classification of Liabilities as Current or Non-current

The Port Authority has adopted the amendments to IAS 1, published in January 2020, for the first time in the current year. The amendments affect only the presentation of liabilities as current or non-current in the consolidated statement of financial position and not the amount or timing of recognition of any asset, liability, income or expenses, or the information disclosed about those items.

The amendments clarify that the classification of liabilities as current or non-current is based on rights that are in existence at the end of the reporting period, specify that classification is unaffected by expectations about whether an entity will exercise its right to defer settlement of a liability, explain that rights are in existence if covenants are complied with at the end of the reporting period, and introduce a definition of 'settlement' to make clear that settlement refers to the transfer to the counterparty of cash, equity instruments, other assets or services.

Toronto Port Authority
Notes to the consolidated financial statements

December 31, 2024

(In thousands of Canadian dollars)

2. Material accounting policy information (continued)

Adoption of new and revised standards (continued)

New and amended IFRS Standards that are effective for the current year (continued)

Amendments to IAS 1 – Presentation of Financial Statements - Non-current Liabilities with Covenants

The Port Authority has adopted the amendments to IAS 1, published in November 2022, for the first time in the current year. The amendments specify that only covenants that an entity is required to comply with on or before the end of the reporting period affect the entity's right to defer settlement of a liability for at least twelve months after the reporting date (and therefore must be considered in assessing the classification of the liability as current or non-current). Such covenants affect whether the right exists at the end of the reporting period, even if compliance with the covenant is assessed only after the reporting date (e.g. a covenant based on the entity's financial position at the reporting date that is assessed for compliance only after the reporting date).

The IASB also specifies that the right to defer settlement of a liability for at least twelve months after the reporting date is not affected if an entity only has to comply with a covenant after the reporting period. However, if the entity's right to defer settlement of a liability is subject to the entity complying with covenants within twelve months after the reporting period, an entity discloses information that enables users of financial statements to understand the risk of the liabilities becoming repayable within twelve months after the reporting period. This would include information about the covenants (including the nature of the covenants and when the entity is required to comply with them), the carrying amount of related liabilities and facts and circumstances, if any, that indicate that the entity may have difficulties complying with the covenants.

New and revised IFRS Accounting Standards in issue but not yet effective

At the date of authorization of these financial statements, the Port Authority has not applied the following new and revised IFRS Accounting Standards that have been issued but are not yet effective:

IFRS 18	Presentation and Disclosures in Financial Statements
Amendments to IFRS 9 Financial Instruments	Derecognition of a Financial Liability Settled Through Electronic Transfer

Toronto Port Authority
Notes to the consolidated financial statements

December 31, 2024

(In thousands of Canadian dollars)

2. Material accounting policy information (continued)

Adoption of new and revised standards (continued)

New and revised IFRS Accounting Standards in issue but not yet effective (continued)

IFRS 18 Presentation and Disclosures in Financial Statements

IFRS 18 replaces IAS 1, carrying forward many of the requirements in IAS 1 unchanged and complementing them with new requirements. In addition, some IAS 1 paragraphs have been moved to IAS 8 and IFRS 7. Furthermore, the IASB has made minor amendments to IAS 7.

IFRS 18 introduces new requirements to:

- present specified categories and defined subtotals in the statement of profit or loss
- provide disclosures on management-defined performance measures (MPMs) in the notes to the financial statements
- improve aggregation and disaggregation.

An entity is required to apply IFRS 18 for annual reporting periods beginning on or after 1 January 2027, with earlier application permitted. The amendments to IAS 7, as well as the revised IAS 8 and IFRS 7, become effective when an entity applies IFRS 18. IFRS 18 requires retrospective application with specific transition provisions.

The Port Authority anticipates that the application of this standard may have an impact on the consolidated financial statements in future periods.

Amendments to IFRS 9 Financial Instruments – Derecognition of a Financial Liability Settled Through Electronic Transfer

The amendments to IFRS 9 clarify the derecognition requirements for financial liabilities settled through electronic payments. Specifically, entities may deem a financial liability discharged before the settlement date if the following conditions are met:

- (i) The entity cannot withdraw, stop, or cancel the payment instruction.
- (ii) The entity no longer has access to the cash designated for settlement.
- (iii) The settlement risk associated with the electronic payment system is insignificant, meaning the process follows standard administrative procedures, and the time between initiating payment and settlement is short.

If these criteria are not satisfied, the liability is derecognized only on the settlement date. Entities electing this alternative must apply it consistently to all settlements through the same electronic payment system.

The amendments are applicable for annual reporting periods beginning on or after January 1, 2026, with earlier application permitted. The Port Authority is evaluating the impact of these amendments but does not expect them to have a material effect on the consolidated financial statements.

Toronto Port Authority
Notes to the consolidated financial statements

December 31, 2024

(In thousands of Canadian dollars)

2. Material accounting policy information (continued)

Use of estimates and key areas of judgment

The preparation of financial statements in accordance with IFRS Accounting Standards requires management to make estimates and assumptions that affect the reported amount of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amount of revenues and expenses during the reported period. Actual results could differ from these estimates. Accounts requiring material estimates and assumptions include fair value of interest rate swap and hedge accounting, useful lives of capital assets, accounts receivable, impairment of capital assets, employee future benefits, legal provisions, certain accrued liabilities and tunnel concession liability, which are further elaborated below.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognized in the period in which the estimate is revised if the revision affects only that period or in the period of the revision and future periods if the revision affects both current and future periods.

(i) Fair value of interest rate swap and hedge accounting

As described in Note 3, the Port Authority uses valuation techniques that include inputs that are based on observable market data to estimate the fair value of its interest rate swap. Note 3 provides information about the key assumptions used in the determination of the fair value of the interest rate swap.

The Port Authority believes that the chosen valuation techniques and assumptions used are appropriate in determining the fair value of its interest rate swap.

The Port Authority also applied judgement in electing to apply hedge accounting on the changes in the fair value of the interest rate swap.

(ii) Useful lives of capital assets

The Port Authority reviews the estimated useful lives of capital assets at the end of each reporting period. There has been no change in the useful lives estimates for the current year. Below are the amortization rates of the capital assets, which approximate their useful lives:

Land	No amortization
Buildings, structures, runways and taxiways	Straight-line over 5–75 years
Plant and equipment	Straight-line over 3–25 years
Deferred site preparation expenditures	Straight-line over 5–40 years
Capital work-in-progress	No amortization until ready for use
Right-of-use assets	Straight-line over the lease life

(iii) Accounts receivable

The carrying amount of accounts receivable is reduced by a valuation allowance which is calculated based on the expected credit losses for the accounts. The expected credit losses are measured at an amount equal to the 12-month expected credit losses. Management reviews the adequacy of this allowance at each reporting date.

Toronto Port Authority
Notes to the consolidated financial statements

December 31, 2024

(In thousands of Canadian dollars)

2. Material accounting policy information (continued)

Use of estimates and key areas of judgment (continued)

(iv) Impairment of capital assets

The Port Authority reviews the carrying amount of capital assets and CGUs in comparison to their recoverable amounts. The recoverable amounts are determined based on the value in use or fair value less costs to sell. In the year ended December 31, 2024, there was no impairment identified by management.

(v) Employee future benefits

The determination of funding requirements is made on the basis of annual actuarial valuations. The recording of employee future benefits liability and the related annual expense is made on the basis of annual actuarial valuations or extrapolations for accounting purposes, in the years between full valuations.

(vi) Legal provisions

Provisions are recognized when the Port Authority has a present obligation (legal or constructive) because of a past event, it is probable that the Port Authority will be required to settle the obligation, and a reasonable estimate can be made of the amount of the obligation.

The amount recognized as a provision, if any, is the best estimate of the consideration required to settle the present obligation at the end of the reporting period, taking into account the risks and uncertainties surrounding the obligation.

(vii) Accrued liabilities

Provisions are recognized when the Port Authority has a present obligation because of a past event, it is probable that the Port Authority will be required to settle the obligation, and a reasonable estimate can be made of the amount of the obligation.

The amount recognized as a provision, if any, is the best estimate of the consideration required to settle the present obligation at the end of the reporting period, taking into account the risks and uncertainties surrounding the obligation.

(viii) Tunnel concession liability

The accounting treatment for the BBTCA Tunnel including the related asset and concession liability was a key area of judgement. The Port Authority reviewed the substance of the Project Agreement and concluded that the present value of the Tunnel's construction costs and related liability should be recognized on the consolidated statement of financial position.

Toronto Port Authority
Notes to the consolidated financial statements

December 31, 2024

(In thousands of Canadian dollars)

3. Financial instruments: fair value and risk management

Fair value

The fair value of the interest rate swap is calculated using a discounted cash flow analysis using the applicable yield curve and credit spread over the remaining life of the derivative.

The carrying value of cash and cash equivalents, short-term investments, accounts receivable, notes receivable, prepaid threshold – tunnel deposit, accounts payable and certain accrued liabilities approximate their fair values due to the relatively short-term maturity. The carrying value of long-term investments and bank loans approximate fair value due to the terms and conditions of the arrangements compared to current market conditions for similar items.

Fair value hierarchy

The Port Authority applies a three-tier hierarchy to classify the determination of fair value measurements for disclosure purposes. Inputs refer broadly to the data and assumptions that market participants would use in pricing the investment. Observable inputs are inputs that are based on market data from independent sources. Unobservable inputs are inputs that reflect the Port Authority’s own assumptions about the assumptions market participants would use in pricing an investment based on the best information available in the circumstances.

The three-tier hierarchy of inputs is as follows:

Level 1 – Quoted prices in active markets for identical investments

Level 2 – Inputs other than quoted prices included in Level 1 that are observable for the investment, either directly (i.e. as prices) or indirectly (i.e. derived from prices)

Level 3 – Inputs for the investment that are not based on observable market data (unobservable inputs)

The following is a summary of the fair value and classification levels as at December 31, 2024:

	Level 1	Level 2	Level 3	Total
	\$	\$	\$	\$
Financial assets - interest rate swap				
2024	—	139	—	139
2023	—	261	—	261

There were no transfers of financial instruments between Levels 1, 2, and 3 during 2024 and 2023.

The Port Authority uses observable and market data on the underlying instruments to value its Level 2 financial instruments. The Port Authority does not hold any Level 3 instruments.

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(In thousands of Canadian dollars)

3. Financial instruments: fair value and risk management (continued)

Financial risk management

In the normal course of business, the Port Authority is exposed to a variety of financial risks: market risk, credit risk, liquidity risk, cash flow risk and interest rate risk. The Port Authority's primary risk management objective is to preserve capital. Risk management strategies, as discussed below, are designed and implemented to ensure the Port Authority's risks and related exposures are consistent with its objectives and risk tolerances.

Market risk

Market risk is managed by the Port Authority's investment policy, which requires a diversified portfolio of allowable investments pursuant to Section 32 of the Canada Marine Act. The Port Authority does not have any financial instruments which are subject to significant market risk.

Interest rate risk

Interest rate risk describes the Port Authority's exposure to changes in the general level of interest rates. Interest rate risk on financial assets arises when the Port Authority invests in fixed income which contains interest-bearing investments and when it incurs financial liabilities at variable interest rates. Interest rate changes directly impact the fair value of fixed income securities and the fair value of the pooled funds. Interest rate changes will also have an indirect impact on the remaining investments held by the Port Authority. At the end of 2024, the Port Authority holds fixed income securities as part of short-term investments totalling \$82,101 (\$53,480 in 2023) and as part of long-term investments totalling \$25,160 (\$51,275 in 2023). These fixed income securities consist of bankers acceptances, guaranteed investment certificates, and bonds.

An analysis of maturity dates for the long-term fixed income securities is set out below.

	Interest rate	2024	Interest rate	2023
	%	\$	%	\$
Maturity				
2025	—	—	3.84 - 6.20	43,986
2026	3.60 - 5.26	10,250	—	—
2027	4.65 - 4.85	9,671	4.85	5,000
2028	5.07 - 5.55	2,289	5.07 - 5.55	2,289
2029	3.80 - 4.85	2,950	—	—
		25,160		51,275

The cost of the Port Authority's short-term fixed income securities together with accrued interest income approximates fair value given the short-term nature of the investments.

The long-term fixed income securities are valued at amortized cost, and as such fluctuations in interest rates will have no impact on the amount reflected in the consolidated statement of financial position or net earnings.

Toronto Port Authority
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3. Financial instruments: fair value and risk management (continued)

Financial risk management (continued)

Interest rate risk (continued)

The Port Authority's financial liabilities are exposed to fluctuations in interest rates with respect to the unhedged portion of long-term debt and its credit facility. The Port Authority is exposed to the following interest rate risks at December 31, 2024:

	_____ \$
Unhedged portion of long-term debt	<u>18,720</u>

The following table details the Port Authority's sensitivity analysis to an increase of interest rates by 0.5% on net earnings and comprehensive income. The sensitivity includes floating rate financial liabilities and adjusts their effect at year-end for a 0.5% increase in interest rates. A decrease of 0.5% would result in an equal and opposite effect on net earnings and comprehensive income.

Effect on net earnings and comprehensive income	_____ \$
Unhedged portion of long-term debt	<u>94</u>

Under the interest rate swap contract, the Port Authority agrees to exchange the difference between fixed and floating rate interest amounts calculated on an agreed notional principal amounts. This contract enables the Port Authority to mitigate the risk of changing interest rates on the fair value of issued fixed rate debt and the cash flow exposures on the issued variable rate debt. The fair value of the interest rate swap at the end of the reporting period is determined by discounting the future cash flows using the curves at the end of the reporting period and the credit risk inherent in the contract.

The interest rate swap settles on a monthly basis. The Port Authority settles the difference between the fixed and floating interest rate on a net basis.

Credit risk

The Port Authority's principal financial assets are cash and cash equivalents, short-term investments, long-term investments, accounts receivable, which are subject to credit risk. The carrying amounts of financial assets on the consolidated statement of financial position represents the Port Authority's maximum credit exposure at the date of the consolidated statement of financial position.

The Port Authority's credit risk is primarily attributable to its accounts receivables. The amounts disclosed in the consolidated statement of financial position for accounts receivable are net of allowance for doubtful accounts, estimated by the management of the Port Authority based on previous experience and its assessment of the current economic environment to reflect the 12-month expected credit losses. In order to reduce its risk, management has adopted credit extension processes that include regular review of credit limits.

The credit risk on cash and cash equivalents, short-term investments, notes receivable, and long-term investments is limited because the counterparties are chartered banks and public sector entities with high credit-ratings assigned by national credit-rating agencies.

3. Financial instruments: fair value and risk management (continued)

Financial risk management (continued)

Credit risk (continued)

The aging of accounts receivable was:

	2024	2023
	\$	\$
Trade		
Current	14,675	10,482
Aged between 31-90 days	439	1,247
Aged greater than 90 days	545	495
	15,659	12,224
Others	44	31
	15,703	12,255
Allowance for doubtful accounts	(300)	(285)
	15,403	11,970

Reconciliation of allowance for doubtful accounts

	2024	2023
	\$	\$
Balance, beginning of year	285	293
Increase during the year	48	36
Bad debts written off during the year	(33)	(44)
Balance, end of year	300	285

Liquidity risk

The Port Authority's objective is to have sufficient liquidity to meet its liabilities when due. The Port Authority monitors its cash balances and cash flows generated from operations to meet its requirements. The Port Authority has the following financial liabilities as at December 31, 2024. The total undiscounted cash repayments required to settle these liabilities, with the exception of the Tunnel concession liability, are set out below:

	Carrying value	2025	2026	2027 and thereafter
	\$	\$	\$	\$
Accounts payable and accrued liabilities	43,393	43,393	—	—
Bank loan	22,205	2,276	2,280	17,649
	65,598	45,669	2,280	17,649

Toronto Port Authority
Notes to the consolidated financial statements

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3. Financial instruments: fair value and risk management (continued)

Financial risk management (continued)

Liquidity risk (continued)

With respect to the Tunnel concession liability, the Port Authority is responsible for the payment of monthly Capital Payments totalling \$6,583 per year until April 8, 2034 in settlement of the liability (Note 15). The discounted cash repayments relating to this liability are as follows:

	Carrying value	2025	2026	2027 and thereafter
	\$	\$	\$	\$
Tunnel concession liability	47,037	3,812	4,052	39,173

Cash flow risk

The Port Authority's Investment Policy includes a targeted upper limit of 30% of cash reserves in the investment products of any one particular financial institution, with a hard cap limit of 35%, regardless of the type of investment.

4. Capital disclosures

The Port Authority's objective when managing capital is to ensure sufficient liquidity to support its financial obligations and execute the operational and strategic plans to continue to provide benefits for its stakeholders and to remain financially self-sufficient. The Port Authority continually assesses its capital structure and adjusts it with reference to changes in economic conditions and risk characteristics associated with its underlying assets. According to its Letters Patent, the Port Authority's aggregate borrowing cannot exceed \$52,100 except for borrowing for the Tunnel. There is \$140,000 that is specifically identified for the Tunnel. The Port Authority cannot borrow money as an agent of Her Majesty. Currently the Port Authority largely relies on cash flows from operations and investment activities to fund its capital investment program. The Port Authority's capital is comprised of its bank loan, Tunnel concession liability, and equity, net of cash and cash equivalents, and short-term investments.

	2024	2023
	\$	\$
Bank loan	22,205	24,483
Tunnel concession liability	47,037	50,623
Less: cash and cash equivalents	3,964	4,801
Less: short-term investments	82,101	53,480
Net (cash) debt	(16,823)	16,825
Equity	268,785	244,097
	251,962	260,922

As of December 31, 2024, there was a shortfall of \$3,506 in AIF funds which had been temporarily financed by general non-AIF funds. As and when AIF revenue is generated by BBTCA, it will be used to replenish the non-AIF funds that were used. Additionally, the Port Authority has certain covenants on its bank loans. As at December 31, 2024, the Port Authority complied with those covenants. In addition, the Port Authority has certain external restrictions on the assets it can purchase with the airport improvement fees. As at December 31, 2024, the Port Authority complied with those restrictions.

Toronto Port Authority
Notes to the consolidated financial statements

December 31, 2024

(In thousands of Canadian dollars)

5. Right-of-use assets and lease liabilities

The Port Authority's right-of-use assets and lease liabilities relate to a lease for its head office premises, as well as an IT service room and lunch and locker room in the terminal building located at Billy Bishop Toronto City Airport. Both leases were entered into in 2019. The original lease for the head office was set to terminate on September 27, 2027. However, in 2024, a lease modification was executed, resulting in an early termination date of September 29, 2025. This modification led to an adjustment in the Right-of-Use Assets and lease liabilities. Concurrently, a new lease agreement for the head office was signed, commencing on October 1, 2025, and expiring on February 28, 2035, with an expanded leased area, which is not included in Right-of-use assets and lease liabilities as at December 31, 2024.

Right-of-Use Assets	2024	2023
	\$	\$
Opening cost, January 1	3,577	3,558
Additions	28	19
Lease modification	(589)	—
Ending cost, December 31	3,016	3,577
Opening accumulated amortization, January 1	(1,697)	(1,323)
Amortization	(380)	(374)
Ending accumulated amortization, December 31	(2,077)	(1,697)
Opening net book value, January 1	1,880	2,235
Ending net book value, December 31	939	1,880
Lease liabilities	2024	2023
	\$	\$
Maturity analysis – contractual undiscounted cash flows		
Less than one year	101	452
One to five years	424	1,381
More than five years	400	493
Total undiscounted lease liabilities as at December 31	925	2,326
Lease liabilities included in the consolidated statement of financial position as at December 31		
Current	340	388
Non-current	733	1,715
	1,073	2,103

For the year ended December 31, 2024, the expense relating to variable lease payments not included in the measurement of lease obligations was \$239 (\$315 in 2023). Expenses relating to short-term leases were \$314 (\$110 in 2023) and expenses relating to leases of low value assets were \$20 (\$19 in 2023); these have been expensed directly to net income.

Toronto Port Authority
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6. Capital assets

	Land	Buildings and structures	Plant and equipment	Deferred site preparation expenditures	Capital work in process	Total
	\$	\$	\$	\$	\$	\$
Cost						
Balance as at January 1, 2023	15,518	249,774	40,819	836	13,083	320,030
Additions	—	—	—	30	12,987	13,017
Transfers	—	4,545	7,551	—	(12,096)	—
Capital funding	—	—	(1,366)	—	—	(1,366)
Disposals	—	—	(165)	—	—	(165)
Balance as at December 31, 2023	15,518	254,319	46,839	866	13,974	331,516
Additions	—	—	—	118	19,551	19,669
Transfers	—	9,138	8,348	—	(17,486)	—
Capital funding	—	—	(6,059)	—	—	(6,059)
Disposals	—	—	—	—	—	—
Balance as at December 31, 2024	15,518	263,457	49,128	984	16,039	345,126
Accumulated depreciation						
Balance as at January 1, 2023	—	(71,020)	(22,149)	(533)	—	(93,702)
Depreciation for the year	—	(6,170)	(4,389)	(38)	—	(10,597)
Disposals	—	—	146	—	—	146
Balance as at December 31, 2023	—	(77,190)	(26,392)	(571)	—	(104,153)
Depreciation for the year	—	(6,599)	(4,482)	(38)	—	(11,119)
Disposals	—	—	—	—	—	—
Balance as at December 31, 2024	—	(83,789)	(30,874)	(609)	—	(115,272)
Carrying amounts						
Balance as at December 31, 2023	15,518	177,129	20,447	295	13,974	227,363
Balance as at December 31, 2024	15,518	179,669	18,252	375	16,039	229,853

The Port Authority sought government assistance under Regional Air Transportation Initiative and Airport Capital Infrastructure Program and applied for \$1,297 in 2024 (\$2,155 in 2023), towards Airport Capital Expenditures. On completion of the capital projects, the associated funding is netted against the cost of the assets.

Future capital projects

The following information is provided in accordance with the requirements of section 36(a) of the Port Authorities regulations:

Total estimated future capital expenditures for projects authorized or committed \$30.00 million (\$26.94 million in 2023).

Toronto Port Authority
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(In thousands of Canadian dollars)

6. Capital assets (continued)

Projects with estimated costs in excess of \$1 million per project included in the total above are as follows as at December 31, 2024:

	Total authorized or committed	Total spent	Estimated future expenditure
	\$	\$	\$
Ship Channel Bridge – Mechanical and Electrical Restoration	11,980	5,691	6,289
Island East Wall Rehabilitation Design & Construction	7,100	514	6,586
Mainland and Island PTF Renovations	3,748	—	3,748
Airport Electrical Infrastructure Improvements	2,315	29	2,286
Port Dockwalls Rehabilitation Program Construction	2,677	151	2,526
West Service Road Rehabilitation	2,180	93	2,087
	30,000	6,478	23,522

As of December 31, 2024, the Airport reached the regulatory threshold in passenger volumes which requires the installation of Runway End Safety Areas ("RESA") to comply with Canadian Aviation Regulations (Parts I, II, and VI – RESA): SOR/2021-269.

The Port Authority has approved work towards a preliminary design and impact assessment for RESA. The estimated amount of capital expenditure for RESA will be determined as part of the design. RESA is required to be completed by Q2 2027.

Subsequent to the year end, the Board approved increasing the West Service Road Rehabilitation project cost to \$3,985 upon completion of the design stage and increasing the Island East Wall Rehabilitation Design & Construction project cost to \$9,100 to enable award and completion of the construction.

7. Employee future benefits

The Port Authority maintains a defined benefit pension plan ("DB Plan"), registered with the Office of the Superintendent of Financial Institutions ("OSFI"), for the benefit of full-time permanent employees (for non-unionized employees hired before November 25, 2013 and certain unionized employees). The Port Authority provides a defined contribution pension plan for full-time non-unionized employees hired after November 24, 2013. Certain Plan members were also granted supplemental benefits, which mirror the formula of the registered plan and replace defined benefits that have been limited by the Income Tax Act. These supplemental benefits are unfunded. The Port Authority also provides other non-pension employment benefits to most of its employees as detailed in Note 2 under "Employee future benefits". The Other Post Employment Benefits ("OPEB") and Workplace Safety and Insurance Board ("WSIB") benefits are unfunded. Beginning in 2018, the Port Authority established other employee future benefits for certain full-time employees provided that they remain employed with the Port Authority for a specified length of time. In 2023 and 2024, certain employee departures resulted in the forfeiture and settlement of employee future benefits. The effect of this has been reflected in these consolidated financial statements.

An actuarial funding valuation of the DB Plan was performed as of January 1, 2023 by the Plan's actuary, Aon. That actuarial review determined that the DB Plan was in an excess surplus position under both a going concern and solvency basis. As a result, the Authority was required to take a contribution holiday, commencing in April 2023, pursuant to the Income Tax Act.

Toronto Port Authority
Notes to the consolidated financial statements

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7. Employee future benefits (continued)

In August 2023, a new collective agreement was concluded with CUPE 416 (2023 to 2027), which includes DB Plan benefit improvements for union members, capped at \$1 million for the period from January 1, 2023 to December 31, 2025, out of which \$650 have been reflected in the pension obligation as of the end of 2024.

Information about the Port Authority's employee future benefits in the aggregate is as follows:

	Pension benefit plan	Other benefits	2024 Total	Pension benefit plan	Other benefits	2023 Total
	\$	\$	\$	\$	\$	\$
Accrued benefit obligation						
Balance, beginning of year	53,975	2,051	56,026	52,109	1,952	54,061
Employer current service cost	1,213	(394)	819	892	163	1,055
Employees' contributions	321	—	321	442	—	442
Interest expense	2,407	70	2,477	2,484	75	2,559
Benefits paid	(3,554)	(81)	(3,635)	(3,827)	(81)	(3,908)
Past service cost	500	—	500	—	—	—
Actuarial (gains) losses	(381)	(59)	(440)	1,875	64	1,939
Effect of forfeitures	20	—	20	—	(122)	(122)
Balance, end of year	54,501	1,587	56,088	53,975	2,051	56,026
Plan assets						
Fair value, beginning of year	65,661	—	65,661	61,646	—	61,646
Employer contributions	563	81	644	1,429	81	1,510
Employees' contributions	321	—	321	442	—	442
Non-investment expenses	(253)	—	(253)	(280)	—	(280)
Benefits paid	(3,554)	(81)	(3,635)	(3,827)	(81)	(3,908)
Interest income	2,953	—	2,953	3,147	—	3,147
Return on plan assets excluding amounts included in interest income	7,391	—	7,391	3,104	—	3,104
Fair value, end of year	73,082	—	73,082	65,661	—	65,661
Funded status – plan surplus (deficit)	18,581	(1,587)	16,994	11,686	(2,051)	9,635
Accrued benefit asset (liability)	18,581	(1,587)	16,994	11,686	(2,051)	9,635

The Port Authority's net benefit plan expense is as follows:

	Pension benefit plan	Other benefits	2024 Total	Pension benefit plan	Other benefits	2023 Total
	\$	\$	\$	\$	\$	\$
Components of net benefit costs recognized during the year						
Current service costs	1,063	(394)	669	892	163	1,055
Current service costs- contribution holiday	150	—	150	—	—	—
Administration costs	253	—	253	280	—	280
Interest expense	2,407	70	2,477	2,484	75	2,559
Interest income	(2,953)	—	(2,953)	(3,147)	—	(3,147)
Actuarial (gains)/loss	—	(16)	(16)	—	36	36
Past service cost	500	—	500	—	—	—
Effect of forfeitures/settlement	20	—	20	—	(122)	(122)
Employee future benefit cost recognized	1,440	(340)	1,100	509	152	661

Toronto Port Authority
Notes to the consolidated financial statements

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7. Employee future benefits (continued)

The amounts recognized in OCI are as follows:

	Pension benefit plan	Other benefits	2024 Total	Pension benefit plan	Other benefits	2023 Total
	\$	\$	\$	\$	\$	\$
Remeasurement of the net defined benefit liability in OCI						
Actuarial (gains) losses on assets	(7,491)	—	(7,491)	(3,104)	—	(3,104)
Actuarial (gains) losses on obligations	(281)	(43)	(324)	1,875	28	1,903
Remeasurement (gain) loss recognized	(7,772)	(43)	(7,815)	(1,229)	28	(1,201)

The date used to measure assets and liabilities for accounting purposes was as at December 31, 2024. The most recent actuarial valuation for funding purposes for the Pension Plan for Employees of the Toronto Port Authority was January 1, 2023. The next actuarial valuation for funding purposes will be done as at January 1, 2026.

The Port Authority's funding policy for the Pension Plan is in accordance with the requirements of the federal Pension Benefits Standards Act. The determination of the funding requirements is made based on annual actuarial valuations.

The Port Authority has reflected Ruling 14 of the International Financial Reporting Interpretations ("IFRIC 14") which clarifies how the asset ceiling defined under IAS 19 should be applied, particularly how it interacts with minimum funding rules. Under IAS19, any variation in the asset ceiling will be recognized in other comprehensive income (as opposed to profit and loss). The impact of the asset limit on the funded plans has been applied based on management's interpretation of IAS 19, as clarified by IFRIC 14. This interpretation is summarized as follows:

- The Port Authority assumed that it does not have an unconditional right to a refund of surplus;
- The Port Authority may take funding contribution holidays based on past practice and/or plan rules;
- Minimum Funding Requirements ("MFR") have been set based on the requirements of the most recently filed actuarial valuation report for funding purposes. Based on the MFR, the going concern and solvency funded status is projected into the future. In any year where the plan is projected to be in a surplus on both a going concern and solvency basis and the threshold set by the governing pension legislation for taking a contribution holiday is met, then this projected surplus is used to reduce or eliminate the minimum funding contribution in that year. The economic benefit available from a reduction in future contributions is therefore equal to the difference between the present value of employer IAS 19 current service cost and the present value of the employer minimum funding current service requirements. The present values are determined using the IAS 19 discount rate and have been calculated assuming that the plan is maintained indefinitely.
- Any required deficit contributions that, once made, are not available to the Port Authority as an economic benefit may form an additional liability which is netted against the consolidated statement of financial position, or if there is already a liability, the adjusted liability on the consolidated statement of financial position is equal to the present value of the remaining required deficit contributions. Required deficit contributions are determined based on the most recently filed actuarial valuation report for funding purposes.

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7. Employee future benefits (continued)

The main risks affecting the Pension Plan, OPEB and WSIB Benefits are:

Longevity	The risk that retirees will collect a pension for a longer period of time, on average, than expected according to the mortality assumptions used.
Investment	The risk that the invested assets of the Pension Plan do not yield the assumed rate of return, resulting in insufficient assets to provide for the benefits promised and/or requiring the Port Authority to make additional contributions to fund the deficit.
Discount rate	The risk from changing market interest rates. A decrease in corporate bond yields will increase plan obligations. This risk is greater to the extent that there is a mismatch between the characteristics of the assets and obligations.
Regulatory/legal	The risk of regulatory/jurisprudence changes that can alter the benefit promise.
Health inflation risk	The risk that the cost of health benefits increases is higher than the assumptions used.

*Pension Plan Asset Allocation as of December 31, 2024**

Asset category	2024		Percentage of defined benefit assets 2023	
	Quoted %	Unquoted %	Quoted %	Unquoted %
Equities	56.80	—	51.30	—
Fixed income	14.30	—	15.20	—
Alternative investments	28.30	—	32.90	—
Other	0.60	—	0.60	—
	100.00	—	100.00	—

* OPEB benefits and WSIB benefits are unfunded.

The significant actuarial assumptions adopted in measuring the Port Authority's accrued benefit obligations are as follows (weighted-average assumptions as of December 31):

	2024 %	2023 %
Key assumptions		
Accrued benefit obligation at end of year		
Discount rate	4.70	4.60
Compensation increase	2.00	2.00
Benefit cost during the year		
Discount rate	4.70	4.60
Health care trend rates at end of year		
Initial rate	4.35	4.35
Ultimate rate	4.05	4.05

7. Employee future benefits (continued)

	Pension plan	2024 Other benefits
	\$	\$
Sensitivity analysis on defined benefit obligation		
Impact of 1% increase in discount rate	(6,236)	(142)
Impact of 1% decrease in discount rate	7,962	171
Impact of 1% increase in salary scale	676	N/A
Impact of 1% decrease in salary scale	(599)	N/A
Impact of 1 year increase in longevity	1,394	32
Impact of 1 year decrease in longevity	(1,419)	(32)
Impact of 1% increase in trend rate	N/A	172
Impact of 1% decrease in trend rate	N/A	(146)

The weighted average duration of the plan is approximately 12.9 years in 2024, (13.0 years in 2023).

8. Bank loans and derivative instruments

(a) Bank loans

The Port Authority has a \$50 million committed revolving term credit facility under a loan agreement with a major financial institution, used to finance various capital. During the year, Management extended the credit facility maturity date to May 31, 2026. In accordance with the terms of the loan agreement, the Port Authority must make monthly principal repayments over a 15-year amortization period starting April 30, 2022. Notwithstanding the principal repayment schedule, the Port Authority is obliged to repay all outstanding amounts as at the May 31, 2026 maturity date unless otherwise extended through agreement with the financial institution.

The table below is based on the amortization of payments of the facility described above. The Port Authority anticipates that the loan will be renegotiated on or before the current maturity date to extend to the full amortization period and therefore the table below reflects the commitment that these amounts will need to be repaid at the dates noted below.

As of December 31, 2024, \$22,205 (\$24,483 in 2023) was outstanding under the term credit facility. Principal repayments for the above facility for the next five years are as follows:

	Total
	\$
2025	2,276
2026	2,280
2027	2,280
2028	2,280
2029	2,280
Thereafter	10,809
	22,205
Less: current portion	2,276
Long-term	19,929

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8. Bank loans and derivative instruments (continued)

(a) *Bank loans (continued)*

If repayment of the term credit facility in full on the current maturity date were required, the above table would be adjusted to the following: \$2,276 in 2025 and \$19,929 in 2026.

(b) *Derivative instrument and hedge accounting*

The Port Authority entered into an interest rate swap in July 2016:

	Start	Maturity	Starting Notional \$	Fixed interest rate %	Notional at December 31, 2024 \$	Notional at December 31, 2023 \$
Swap	July 2016	July 2031	7,998	1.67%	3,485	4,021

This hedge was designated an interest rate swap in a hedging relationship with the credit facility balance at that time of \$7,998. Prospective and retrospective hedge effectiveness is assessed on these hedges using a hypothetical derivative method. The hypothetical derivative assessment involves comparing the effect of changes in interest rates each period on the changes in fair value of both the actual and hypothetical derivative. The effective portion of the interest rate swap is recorded in other comprehensive income until the forecasted transaction occurs. Where applicable, the fair value of the derivative has been adjusted to account for the Port Authority's credit risk.

The hedge was designated as a cash flow hedge, with the hedge designations continuing in effect for subsequent refinancing. Based on an evaluation of the renewed credit agreement entered into in May 2024, the Port Authority determined that this instrument continue to qualify for hedge designation as the original cash flows under hedge (the "hedge items") continue to be in place under the new credit agreement.

The effect on net income and other comprehensive income is as follows:

(i) *Effect on net income – ineffective portion*

	2024 \$	2023 \$
Ineffectiveness of hedge accounting reclassified from other comprehensive income	9	13

(ii) *Effect on other comprehensive income – effective portion*

	2024 \$	2023 \$
Market to market loss on the swap	(122)	(109)
Ineffectiveness reclassified to net income	(9)	(13)
Recognized in other comprehensive income	(131)	(122)

Toronto Port Authority
Notes to the consolidated financial statements

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(In thousands of Canadian dollars)

9. Payments in Lieu of Taxes

Payments in Lieu of Taxes or ("PILTs") are payments that may be made by federal institutions to the municipalities in which they operate. The quantum of PILTs made by a government institution to its host municipality is discretionary and, if made, is determined in accordance with the federal Payments in Lieu of Taxes Act (the "PILTs Act"). The Port Authority properties to which the PILTs Act applies are the Billy Bishop Toronto City Airport ("BBTCA"), the Outer Harbour Marina, 80 Cherry Street, and various waterlots. The Port Authority also pays property taxes to the City of Toronto (the "City") for BBTCA and various other properties.

10. Airport improvement fees

The Port Authority charged an Airport Improvement Fee ("AIF" or "Fee") of \$29.00 in 2024 (\$29.00 in 2023) per departing passenger. In addition, net revenues from the Tunnel Advertising Features were included in AIF. These Fees are to be used entirely to finance the Airport's capital program, which includes Debt Service for borrowings (see Note 8).

For the year ended December 31, 2024, the net amount of AIF collected was \$25,505 (\$24,981 in 2023). These Fees are recorded as Airport improvement fees, net in the consolidated statement of operations and comprehensive income.

The AIF revenue is net of the 3% commission paid to the air carriers for the collection of AIF from enplaned passengers.

Toronto Port Authority
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December 31, 2024

(In thousands of Canadian dollars)

10. Airport improvement fees (continued)

Revenue and expenses relating to Toronto Port Authority non-AIF operations and Airport improvement fees

The following is an analysis of the Toronto Port Authority's results from the consolidated statement of operations and comprehensive income in terms of revenue and expenses from the Port Authority's non-AIF operations and those related to the restricted Airport improvement fees:

	2024	2023	2024	2024	2023	2023
	Total	Total	Non-AIF	AIF	Non-AIF	AIF
	\$	\$	\$	\$	\$	\$
Operating revenue						
Port, Outer Harbour Marina, Airport, property and other revenue	55,800	46,100	55,800	—	46,100	—
Airport improvement fees, net	25,505	24,981	—	25,505	—	24,981
	81,305	71,081	55,800	25,505	46,100	24,981
Operating expenses						
Salaries wages and benefits	14,653	13,662	14,592	61	13,662	—
Goods and services	31,576	25,553	28,961	2,615	25,203	350
Charge on gross revenue	3,625	3,526	2,095	1,530	2,027	1,499
Payments in lieu of taxes	2,473	1,165	2,473	—	1,165	—
Amortization of right-of-use and capital assets	11,499	10,971	2,997	8,502	2,523	8,448
	63,826	54,877	51,118	12,708	44,580	10,297
Earnings before interest, financing costs & other items	17,479	16,204	4,682	12,797	1,520	14,684
Investment income	5,955	5,290	5,955	—	5,290	—
Interest expense	(4,230)	(4,650)	(141)	(4,089)	(179)	(4,471)
Provision for Rehabilitation of Leslie Street Spit & Hardpoint J	(2,200)	(7,533)	(2,200)	—	(7,533)	—
Net income (loss) for the year	17,004	9,311	8,296	8,708	(902)	10,213
Changes in fair value of interest rate swap due to hedge accounting - loss on interest rate swap - effective portion	(131)	(122)	(131)	—	(122)	—
Remeasurement gain on employee future benefits	7,815	1,201	7,815	—	1,201	—
Comprehensive income for the year	24,688	10,390	15,980	8,708	177	10,213

11. Contingencies

There are a number of outstanding claims against the Port Authority that have been referred to legal counsel and reported to the Port Authority's insurers, as applicable. With respect to insurable claims, the Port Authority expects that its liability, if any, will be limited to the amount of its insurance deductible.

Toronto Port Authority
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(In thousands of Canadian dollars)

12. Canada marine act and port authorities' management regulations

Pursuant to subsection 37 (3) of the Canada Marine Act, total remuneration (includes salaries and bonus) was paid to the following:

Name	Title	2024		2023	
		Remuneration	Taxable benefits	Total	
				Total	
Sandra Pupatello ¹	Director, Chair	59	—	59	15
Robin Pilkey ²	Director	18	—	18	—
Hellen Siwanowicz	Director	39	—	39	34
Thomas Ruth	Director	32	—	32	16
Jane Mckenna ³	Director	31	—	31	11
Amanda Walton ⁴	Director	32	—	32	66
Darin Deschamps ⁵	Director	37	—	37	42
Chris Reynolds ⁶	Director	—	—	—	11
Roelof-Jan (RJ) Steenstra	President & CEO	490	24	514	425
Alan Paul ⁷	SVP & CFO	847	19	866	315
John Peellegoda ⁸	SVP Strategy & CFO	116	7	123	—
Willard Ramjass ⁹	SVP and General Counsel	328	22	350	204
Deborah Wilson	VP Communications & Public Affairs	261	18	279	258
Bojan Drakul ¹⁰	VP Infrastructure, Planning & Environment	259	18	277	240
Warren Askew ¹¹	VP Airport	227	18	245	125
		2,528	126	2,902	2,167

1 - ceased to hold office March 7, 2025

2 - assumed office April 2, 2024

3 - assumed office as Chair March 14, 2025

4 - ceased to hold office April 1, 2024

5 - ceased to hold office September 12, 2024

6 - ceased to hold office January 12, 2023

7 - ceased to hold office on July 31, 2024

8 - assumed office July 29, 2024

9 - assumed office March 27, 2023

10 - assumed office April 17, 2023

11 - assumed office May 29, 2023

Toronto Port Authority
Notes to the consolidated financial statements

December 31, 2024

(In thousands of Canadian dollars)

13. Commitments

The Port Authority currently has a Lease Agreement with the provincial Ministry of Natural Resources and Forestry to construct, operate and maintain a landfill area at the foot of Leslie Street on a portion of the Leslie Street Spit. The Port Authority lease expires on October 31, 2027. The Port Authority is required under its lease to maintain the shoreline and associated hardpoints in a dynamically stable condition.

As part of the obligations under the lease, the Port Authority monitors the hardpoints and beaches along the east and south shores of the Leslie Street Spit for shoreline stabilization. Through this monitoring program, the reconstruction of Hardpoint J has been determined to require improvement as a condition of Lease termination. The Port Authority is reviewing options to complete this remediation and has accrued a liability relating to this work reflective of the Port Authority's current best estimate.

The Port Authority currently has a lease for its head office premises located at 207 Queens Quay West. The lease will be renewed effective October 1, 2025 with an expiry date of February 28, 2035. The Port Authority also has a lease for an IT service room and lunch and locker room in the terminal building located at Billy Bishop Toronto City Airport. The lease expires on June 29, 2033. Please see Note 5 for details on the lease liability recorded in respect of these two leases.

14. Guarantees

In the normal course of business, the Port Authority enters into agreements that meet the definition of a guarantee. The Port Authority's primary guarantees are as follows:

- (a) Indemnity has been provided to all directors and or officers of the Port Authority for various items including, but not limited to, all costs to settle suits or actions due to association with the Port Authority, subject to certain restrictions. The Port Authority has purchased directors' and officers' liability insurance to mitigate the cost of any potential future suits or actions. The term of the indemnification is not explicitly defined but is limited to the period over which the indemnified party served as, director or officer of the Port Authority. The maximum amount of any potential future payment cannot be reasonably estimated.
- (b) In the normal course of business, the Port Authority has entered into agreements that include indemnities in favour of third parties, such as purchase and sale agreements, confidentiality agreements, engagement letters with advisors and consultants, outsourcing agreements, leasing contracts, information technology agreements and service agreements. These indemnification agreements may require the Port Authority to compensate counterparties for losses incurred by the counterparties because of breaches in representation and regulations or because of litigation claims or statutory sanctions that may be suffered by the counterparty because of the transaction. The terms of these indemnities are not explicitly defined and the maximum amount of any potential reimbursement cannot be reasonably estimated. In addition to the foregoing, in connection with the lease of real property from the City of Toronto by the Port Authority's wholly owned subsidiary, 2315155 Ontario Inc., the Port Authority has guaranteed 2315155 Ontario Inc.'s obligation to the City. The maximum liability of the Port Authority to the City pursuant to this guarantee is \$500.

Other than the guarantee to the City described above, the nature of these indemnification agreements prevents the Port Authority from making a reasonable estimate of the maximum exposure due to the difficulties in assessing the amount of liability which stems from the unpredictability of future events and the unlimited coverage offered to counterparties. Historically, the Port Authority has not made any significant payments under such or similar indemnification agreements and therefore no amount has been accrued in the statement of financial position with respect to these agreements.

Toronto Port Authority
Notes to the consolidated financial statements

December 31, 2024

(In thousands of Canadian dollars)

15. Tunnel Project

On March 8, 2012, the Toronto Port Authority and BBIA LP, an entity controlled by Forum Infrastructure Partners signed a Project Agreement ("the Agreement") to construct a Tunnel to link the Billy Bishop Toronto City Airport ("Airport") to the Mainland at the foot of Bathurst Street, under the Western Gap. BBIA LP agreed to design, build, finance, operate and maintain the Tunnel for twenty years. The base contract price for BBIA LP to construct the Tunnel was \$82.5 million and it was substantially completed and accepted by the Port Authority on May 29, 2015. The Tunnel was officially opened to the public and stakeholders on July 30, 2015. Title to the Tunnel will remain with the Port Authority throughout the term of the Agreement.

The Port Authority has capitalized construction costs as well as the present value of future Capital Lifecycle payments to be made over the term of the concession period (Expiry Date April 8, 2034). The Port Authority has also recognized a liability for the Tunnel, equal to the asset, less payments made. As at December 31, 2024 an asset of \$110,418 (\$110,418 in 2023) has been included as part of capital assets, with a related liability of \$47,037 (\$50,623 in 2023).

On April 8, 2016 BBIA LP sold its interest in the Tunnel to BBPT AF LP, an entity controlled by Fiera Capital Corporation. As part of this transaction the Agreement was assigned by BBIA LP to BBPT AF LP and BBPT AF LP assumed all of BBIA LP's obligations under the Agreement.

The Port Authority pays monthly Capital Payments totaling \$6,583 per year until April 8, 2034 to BBPT AF LP using a portion of the airport improvement fee collected for enplaning (departing) passengers at the Airport.

The Port Authority is also responsible for monthly Lifecycle Payments totalling \$212 per year and monthly Operating Payments totalling \$1,301 per year, until 2034, to be indexed to inflation. As at December 31, 2024, the indexed amounts are \$217 (\$212 in 2023) and \$1,756 (\$1,689 in 2023) per year, respectively.

Toronto Port Authority
Notes to the consolidated financial statements

December 31, 2024

(In thousands of Canadian dollars)

16. Revenue and expenses by business units

The following is an analysis of the Toronto Port Authority's results from the Consolidated statement of operations and comprehensive income by business units:

	2024	Unit revenue 2023	2024	Unit expenses 2023	2024	Business unit net income 2023
	\$	\$	\$	\$	\$	\$
Business units						
Port operations	13,746	7,942	5,231	4,547	8,515	3,395
Outer Harbour Marina	6,652	6,707	3,447	3,602	3,205	3,105
BBTCA and AIF, net	57,378	52,788	26,740	22,739	30,638	30,049
Property and other	3,529	3,644	952	1,117	2,577	2,527
Investment income	5,955	5,290	—	—	5,955	5,290
Corporate services	—	—	9,859	7,210	(9,859)	(7,210)
	87,260	76,371	46,229	39,215	41,031	37,156
Net income from operations and airport improvement fees, net before the following					41,031	37,156
Payments in lieu of taxes					(2,473)	(1,165)
Amortization of right-of-use and capital assets					(11,499)	(10,971)
Interest expense					(4,230)	(4,650)
Charge on gross revenue					(3,625)	(3,526)
Net income for the year before the following item					19,204	16,844
Provision for Leslie Street Spit Hardpoint J & Other Obligations					(2,200)	(7,533)
Net income for the year					17,004	9,311
Loss on interest rate swap - effective portion					(131)	(122)
Remeasurement gain on employee future benefits					7,815	1,201
Comprehensive income for the year					24,688	10,390

17. Net change in non-cash working capital balances related to operations

The changes in non-cash working capital items are as follows:

	2024	2023
	\$	\$
Accounts receivable (net)	(3,433)	(1,747)
Other current assets	805	(226)
Fair value of the interest rate swap	(122)	(109)
Gain on lease modification	(78)	—
Prepaid expenses	165	418
Accounts payable and accrued liabilities	294	11,970
Unearned revenue	(5,063)	454
	(7,432)	10,760

18. Goods and services operating expenses details

The significant items under Goods and Services are as follows:

	2024	2023
	\$	\$
Repairs and maintenance	8,259	8,403
Operating materials and utilities	7,495	5,984
Professional and consulting fees	5,072	2,118
Security	4,571	4,142
Office and general	1,874	1,559
Insurance	1,698	1,765
Public Affairs	1,277	697
Rents	682	622
Other expenses	648	263
	31,576	25,553

19. Prior years comparative figures

Certain of prior year's comparative figures have been reclassified to conform with current year's presentation.

APPENDIX A: MATERIAL TOPICS

Material Topic	GRI Standard	Disclosures
Safety & Security	GRI 410: Security Practices 2016	410-1 Security personnel trained in human rights policies or procedures
Occupational Health & Safety	GRI 403: Occupational Health and Safety 2018	403-1 Occupational health and safety management system
		403-2 Hazard identification, risk assessment, and incident investigation
		403-3 Occupational health services
		403-4 Worker participation, consultation, and communication on occupational health and safety
		403-5 Worker training on occupational health and safety
		403-6 Promotion of worker health
		403-9 Work-related injuries
Employment	GRI 401: Employment 2016	401-1 New employee hires and employee turnover
		401-3 Parental leave
Economic Performance	GRI 201: Economic Performance 2016	201-1 Direct economic value generated and distributed
Human Rights	GRI 408: Child Labor 2016	408-1 Operations and suppliers at significant risk for incidents of child labor
	GRI 409: Forced or Compulsory Labor 2016	409-1 Operations and suppliers at significant risk for incidents of forced or compulsory labor
Risk Management	Non-GRI Topic	
Business Ethics	GRI 205: Anti-corruption 2016	205-3 Confirmed incidents of corruption and actions taken
	GRI 206: Anti-competitive Behavior 2016	206-1 Legal actions for anti-competitive behavior, anti-trust, and monopoly practices
Accessibility	Non-GRI Topic	

APPENDIX A: MATERIAL TOPICS

Material Topic	GRI Standard	Disclosures
Waste Management	GRI 306: Waste 2020	306-1 Waste generation and significant waste-related impacts
		306-2 Management of significant waste-related impacts
		306-4 Waste diverted from disposal
Regulatory Management & Compliance	Non-GRI Topic	
Customer Satisfaction	Non-GRI Topic	
Climate Action, Energy & Emissions	GRI 302: Energy 2016	302-1 Energy consumption within the organization
		302-3 Energy intensity
		302-4 Reduction of energy consumption
		302-5 Reductions in energy requirements of products and services
	GRI 305: Emissions 2016	305-1 Direct (Scope 1) GHG emissions
		305-2 Energy indirect (Scope 2) GHG emissions
		305-4 GHG emissions intensity
		305-5 Reduction of GHG emissions
Employee Engagement & Satisfaction	Non-GRI Topic	
Diversity, Equity & Inclusion	GRI 405: Diversity and Equal Opportunity 2016	405-1 Diversity of governance bodies and employees
		405-2 Ratio of basic salary and remuneration of women to men
	GRI 406: Non-discrimination 2016	406-1 Incidents of discrimination and corrective actions taken
Learning & Development	GRI 404: Training and Education 2016	404-2 Programs for upgrading employee skills and transition assistance programs
		404-3 Percentage of employees receiving regular performance and career development reviews

APPENDIX A: MATERIAL TOPICS

Material Topic	GRI Standard	Disclosures
Noise Management	Non-GRI Topic	305-2 Energy indirect (Scope 2) GHG emissions
Local Communities	GRI 413: Local Communities 2016	413-1 Operations with local community engagement, impact assessments, and development programs
Water & Effluents	GRI 303: Water and Effluents 2018	303-1 Interactions with water as a shared resource
		303-2 Management of water discharge-related impacts
		303-3 Water withdrawal
		303-4 Water discharge
		303-5 Water consumption
Innovation	Non-GRI Topic	
Indirect Economic Impact	GRI 203: Indirect Economic Impacts 2016	203-1 Infrastructure investments and services supported
		203-2 Significant indirect economic impacts
Rights of Indigenous Peoples	GRI 411: Rights of Indigenous Peoples 2016	411-1 Incidents of violations involving rights of indigenous peoples

APPENDIX B: GRI CONTENT INDEX

STATEMENT OF USE	PortsToronto has reported in accordance with the GRI Standards for the period January 1, 2024 to December 31, 2024
GRI 1 USED	GRI 1: Foundation 2021

GRI STANDARD/ OTHER SOURCE	DISCLOSURE	PAGE NUMBER /RESPONSE
GENERAL DISCLOSURES		
GRI 2: General Disclosures 2021	2-1 Organizational details	13
	2-2 Entities included in the organization's sustainability reporting	11, 14-16
	2-3 Reporting period, frequency and contact point	11
	2-4 Restatements of information	Not applicable
	2-5 External assurance	Not applicable
	2-6 Activities, value chain and other business relationships	13-16
	2-7 Employees	41
	2-8 Workers who are not employees	Not applicable
	2-9 Governance structure and composition	20-21
	2-10 Nomination and selection of the highest governance body	20
	2-11 Chair of the highest governance body	20
	2-12 Role of the highest governance body in overseeing the management of impacts	20-21
	2-13 Delegation of responsibility for managing impacts	20-21
	2-14 Role of the highest governance body in sustainability reporting	20
	2-15 Conflicts of interest	Not applicable
	2-16 Communication of critical concerns	20-22
	2-17 Collective knowledge of the highest governance body	20
	2-18 Evaluation of the performance of the highest governance body	20
	2-19 Remuneration policies	104
	2-20 Process to determine remuneration	104
2-22 Statement on sustainable development strategy	5-10	

APPENDIX B: GRI CONTENT INDEX

GRI STANDARD/ OTHER SOURCE	DISCLOSURE	PAGE NUMBER /RESPONSE
GENERAL DISCLOSURES		
GRI 2: General Disclosures 2021	2-23 Policy commitments	22
	2-24 Embedding policy commitments	22
	2-25 Processes to remediate negative impacts	18, 19, 21, 22
	2-26 Mechanisms for seeking advice and raising concerns	22
	2-27 Compliance with laws and regulations	22
	2-28 Membership associations	58
	2-29 Approach to stakeholder engagement	23-25
	2-30 Collective bargaining agreements	41
MATERIAL TOPICS		
GRI 3: Material Topics 2021	3-1 Process to determine material topics	26
	3-2 List of material topics	26, 69-71
Economic performance		
GRI 3: Material Topics 2021	3-3 Management of material topics	59-62
GRI 201: Economic Performance 2016	201-1 Direct economic value generated and distributed	62
Indirect economic impacts		
GRI 3: Material Topics 2021	3-3 Management of material topics	59
GRI 203: Indirect Economic Impacts 2016	203-1 Infrastructure investments and services supported	59-61
	203-2 Significant indirect economic impacts	59-61
Anti-corruption		
GRI 3: Material Topics 2021	3-3 Management of material topics	22
GRI 205: Anti-corruption 2016	205-3 Confirmed incidents of corruption and actions taken	None
Anti-competitive behavior		
GRI 3: Material Topics 2021	3-3 Management of material topics	22
GRI 206: Anti-competitive Behavior 2016	206-1 Legal actions for anti-competitive behavior, anti-trust, and monopoly practices	None

APPENDIX B: GRI CONTENT INDEX

GRI STANDARD/ OTHER SOURCE	DISCLOSURE	PAGE NUMBER /RESPONSE
Energy		
GRI 3: Material Topics 2021	3-3 Management of material topics	46
GRI 302: Energy 2016	302-4 Reduction of energy consumption	46, 47
Water and effluents		
GRI 3: Material Topics 2021	3-3 Management of material topics	49
GRI 303: Water and Effluents 2018	303-1 Interactions with water as a shared resource	49-51
	303-2 Management of water discharge-related impacts	49-51
	303-3 Water withdrawal	49
Emissions		
GRI 3: Material Topics 2021	3-3 Management of material topics	46
GRI 305: Emissions 2016	305-1 Direct (Scope 1) GHG emissions	47
	305-2 Energy indirect (Scope 2) GHG emissions	47
	305-4 GHG emissions intensity	47
	305-5 Reduction of GHG emissions	46-48
Waste		
GRI 3: Material Topics 2021	3-3 Management of material topics	49
GRI 306: Waste 2020	306-2 Management of significant waste-related impacts	49-51
	306-4 Waste diverted from disposal	49-51

APPENDIX B: GRI CONTENT INDEX

GRI STANDARD/ OTHER SOURCE	DISCLOSURE	PAGE NUMBER /RESPONSE
Employment		
GRI 3: Material Topics 2021	3-3 Management of material topics	37
GRI 401: Employment 2016	401-1 New employee hires and employee turnover	42
	401-3 Parental leave	42
Occupational health and safety		
GRI 3: Material Topics 2021	3-3 Management of material topics	38
GRI 403: Occupational Health and Safety 2018	403-1 Occupational health and safety management system	38
	403-2 Hazard identification, risk assessment, and incident investigation	38
	403-3 Occupational health services	38
	403-4 Worker participation, consultation, and communication on occupational health and safety	38
	403-5 Worker training on occupational health and safety	38, 40
	403-6 Promotion of worker health	39
	403-9 Work-related injuries	38
	403-10 Work-related ill health	38
Training and education		
GRI 3: Material Topics 2021	3-3 Management of material topics	40
GRI 404: Training and Education 2016	404-2 Programs for upgrading employee skills and transition assistance programs	40
Diversity and equal opportunity		
GRI 3: Material Topics 2021	3-3 Management of material topics	41
GRI 405: Diversity and Equal Opportunity 2016	405-1 Diversity of governance bodies and employees	41
Non-discrimination		
GRI 3: Material Topics 2021	3-3 Management of material topics	41
GRI 406: Non-discrimination 2016	406-1 Incidents of discrimination and corrective actions taken	None

APPENDIX B: GRI CONTENT INDEX

GRI STANDARD/ OTHER SOURCE	DISCLOSURE	PAGE NUMBER /RESPONSE
Child labor		
GRI 3: Material Topics 2021	3-3 Management of material topics	43
GRI 408: Child Labor 2016	408-1 Operations and suppliers at significant risk for incidents of child labor	None
Forced or compulsory labor		
GRI 3: Material Topics 2021	3-3 Management of material topics	43
GRI 409: Forced or Compulsory Labor 2016	409-1 Operations and suppliers at significant risk for incidents of forced or compulsory labor	None
Security practices		
GRI 3: Material Topics 2021	3-3 Management of material topics	43
GRI 410: Security Practices 2016	410-1 Security personnel trained in human rights policies or procedures	43
Rights of indigenous peoples		
GRI 3: Material Topics 2021	3-3 Management of material topics	25
GRI 411: Rights of Indigenous Peoples 2016	411-1 Incidents of violations involving rights of indigenous peoples	None
Local communities		
GRI 3: Material Topics 2021	3-3 Management of material topics	23, 24, 28
GRI 413: Local Communities 2016	413-1 Operations with local community engagement, impact assessments, and development programs	28-33