

STRATEGIC REPORTING

At Edmonton Airports we use a balanced scorecard to organize and set performance targets to achieve five key strategic objectives, listed below. For our 2018-2022 corporate scorecard, management has selected corporate targets to focus effort and increase awareness into the different details of our businesses while tracking areas of interest to our stakeholders. As an organization that operates for the benefit of the local region, we define our long-term success by improvements in all of the areas.

Long-term Strategic Objectives 2022

IMPROVE FINANCIAL SUSTAINABILITY

The financial section is focused on sustaining self-funded long-term business growth, and financial accountability measure issues like revenue growth, profit margins, budget and costs-savings. Sustainable financial management creates the stability needed for successful long-term planning.

ENHANCE PASSENGER EXPERIENCE

An exceptional passenger experience is a critical factor in differentiating EIA from other travel options and in creating preference and affinity. We will support this by placing passengers at the heart of our business model and developing products and services that meet their needs and exceed their expectations, while linking them to the business and leisure destinations of their choice. Since passengers are a core business driver for both airlines and airports, our attention to passengers supports our mutual success.

IMPROVE SOCIAL, ENVIRONMENTAL AND ECONOMIC SUSTAINABILITY

Our sustainability targets reflect our commitment to operating effectively and responsibly in the context of our neighbours, partners, stakeholders, and environment. We must responsibly manage our resources to advance our region's environmental stewardship, social well-being and economic prosperity. Our targets around job growth and carbon and emissions control represent key areas of focus. We will build skills in sustainability best practices, increase transparency in reporting and monitoring, engage stakeholders to ensure operations reflect their needs, and develop initiatives that resonate with airlines and regional interests.

ENHANCE AIRLINE PRODUCTIVITY

This objective strategically aligns us with the interests of airlines, which are key partners and stakeholders. We will assure effective processes by creating corporate targets for operational excellence indicators such as safety and security performance, on-time departure, baggage wait times, security wait times and set targets on efficiency, and operational downtime averages.

IMPROVE EMPLOYEE ENGAGEMENT, PERFORMANCE AND WELL-BEING

Learning and growth covers the intangible drivers of future success such as human, organizational, and information capital, including skills, training, organizational culture, leadership, systems and databases. We are committed to increasing employee engagement by shifting to a more cohesive work environment, including improving work design, clarifying accountability, developing talent, integrating the way we work and enhancing the employee experience. These improvements will be made possible through exceptional leadership, and will reflect our achievement of this objective.

Our 2017 Performance

To support the achievement of our five-year strategic objectives we set annual targets, and review our performance towards those targets regularly. The MD&A reviews our financial performance and below you will find our 2017 performance results. The different developments and projects shown throughout the 2017 Annual Report show the different ways we have worked toward achieving our targets. This tracking of our trajectory, as well as the internal review of our initiatives, allows us to identify areas that require further improvements as well as set the new 2018-2022 targets.

ENHANCE PASSENGER EXPERIENCE

We have been able to maintain our Airport Service Quality Score at 4.36. ASQ is led by Airports Council International and is administered by airports all around the world. Our score is measured every quarter. We are able to review and analyze the categories to understand where improvement is needed. We were strategic in our management of expenditures, reducing funding for some projects but protecting core services, and placing a particular focus on weaker areas of ASQ. We improved seating and work spaces at some heavily used gates and also considered the different impacts to the security screening experience.

IMPROVE SOCIAL, ENVIRONMENTAL, AND ECONOMIC IMPACT

Every year we enhance our commitment to and measure of our sustainability. In 2017 we tracked our sustainability performance according to environmental and social indicators. On tracking environmental performance we tracked carbon emissions, as they are the area of interest internationally, nationally and locally. Emissions are also of particular interest in the aviation industry. In 2016, International Civil Aviation Organization (ICAO) set global industry targets of carbon neutral growth from 2020 onwards. We realize the benefit of aligning to these interests, and already aim for carbon neutral growth from 2014 onwards. We continue to learn about the intricacies and target impactors, and our calculations suggest that in 2014 our owned and controlled emissions were approximately 47,000 tCO₂e. In 2017, we managed to achieve our target and even reduced emissions to 45,383 tCO₂e. We worked to increase energy efficiency in 2017, and our emissions were also impacted by warmer than average temperatures.

We are tracking our social impact by the participation of employees in our volunteering program. In 2017, participation in the program increased to 55.3 per cent of Edmonton Airports employees.

ENHANCE AIRLINE PRODUCTIVITY

One of the impactful measures of airline productivity is the on-time performance. In 2017, we managed an average on-time departure rate of 86.8 per cent. This important metric impacts airline efficiency, as delays can increase costs in fuel and employee overtime. 88 per cent on-time departure rate represents the top performance in North America for airports with regular winter operations. We have the highest on-time performance rate for Air Canada and WestJet in comparison to other Canadian airports.

IMPROVE EMPLOYEE ENGAGEMENT, PERFORMANCE AND WELL-BEING

Our employees are the foundation of our business. An engaged workforce is critical in driving organizational success. In 2017, we remained focused on making improvements to the employee experience and maintained our engagement score of 69 per cent (the same as 2016). We continue to analyze the scores to understand the concerns that have impacted employee scores. We will focus our efforts on improving the key engagement drivers: innovation, professional growth and teamwork.

Ultimately, we know that none of our targets would be achievable without the expertise, engagement and commitment of our employees, working in a safe and secure environment. Through the engagement survey we have been able to review employee priorities and influencers and direct our responses where needed.

We are also committed to the occupational health and safety of our employees. Our Certificate of Recognition (COR) audit reflects our safety culture and we have continued to increase employee involvement through ongoing training, information sessions and email updates. Our 2017 COR score was 95.0 per cent. Our incident rates suggest that our messaging is being heard, and is also effective in reducing negative impacts to staff and property. Our incidents fell from 45 in 2016 to 39 in 2017. Incidents include near misses, property damage and minor injuries. This reflects our ongoing commitment to improving our safety and security systems, supervision and performance. Our strategic business units also track the safety performance of our contractors, and our Occupational Health and Safety Committee tracks and prepares incidents rates from all of our different safety management programs.