

///ANNUAL REPORT///

2022



Photo: Marine Didier Laurent

**ADM**

Aéroports de  
Montréal

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## CORPORATE PROFILE

ADM Aéroports de Montréal, the Greater Montréal airport authority, is responsible for the management, operation and development of YUL Montréal-Trudeau International Airport and YMX International Aerocity of Mirabel under a lease entered into with Transport Canada in 1992 and expiring in 2072. ADM is committed to succeeding in its various business sectors—airport, real estate and commercial services—and developing each of its two sites to their full potential. Accordingly, YUL serves as a hub for domestic, transborder and international passenger transportation, while YMX serves as an all-cargo airport and a world-class aerospace and innovation hub. Montréal-Trudeau International Airport and the International Aerocity of Mirabel are major centres of economic activity and development drivers for Greater Montréal.



Montréal-Trudeau International Airport and the International Aerocity of Mirabel are major centres of economic activity and development drivers for Greater Montréal.





## ADM'S MISSION

From a sustainable development perspective, ADM's mission is to:



Connect Montréal and the world through the talent and passion of its teams;



Offer a remarkable, safe and efficient experience while ensuring the development of its facilities;



Contribute to the prosperity of the community by embodying the vitality of Greater Montréal.







# Financial Highlights



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# REVENUE SOURCES

in millions of dollars  
(and compared with 2021 and 2019)

**Non-Aeronautical Activities**  
\$203.3  
31.2%

▲ +75.6% vs 2021  
▼ -7.6% vs 2019

**Aeronautical Activities**  
\$241.9  
37.1%

▲ +155% vs 2021  
▼ -3.5% vs 2019

**Airport Improvement Fees**  
\$206.9  
31.7%

▲ +208.3% vs 2021  
▼ -12.5% vs 2019



# TYPES OF EXPENSES

in millions of dollars  
(and compared with 2021 and 2019)



**Net Financial Expenses**  
\$119.1  
19.6%

▼ -10.4% vs 2021  
▲ +23.1% vs 2019

**Salaries and Benefits**  
\$71.3  
11.7%

▲ +36% vs 2021  
▼ -6.8% vs 2019

**Depreciation and Impairment**  
\$160.4  
26.4%

▼ -1.3% vs 2021  
▲ +0.2% vs 2019

**Operating Expenses**  
\$142.9  
23.5%

▲ +45.2% vs 2021  
▼ -11% vs 2019

**Transport Canada Rents**  
\$68.3  
11.3%

▲ +170% vs 2021  
▼ -10.9% vs 2019

**Payments in Lieu of Municipal Taxes and Other Taxes**  
\$45.7  
7.5%

▲ +20.4% vs 2021  
▲ +14.6% vs 2019



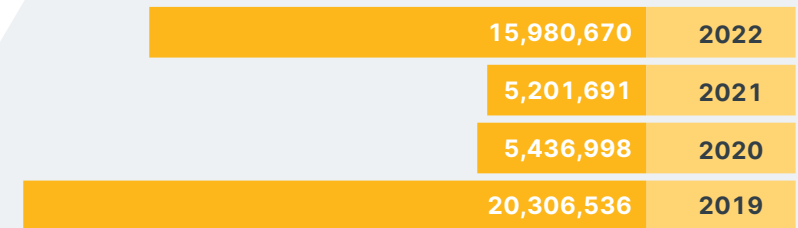
# FINANCIAL REVIEW

in thousands of dollars

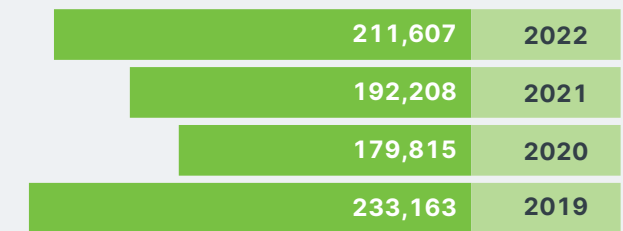
	2022	2021	2020	2019	2018
<b>Revenues</b>	\$ 652,139	\$ 277,745	\$ 282,160	\$ 707,049	\$ 645,021
<b>Excess (deficiency) of revenues over expenses</b>	\$ 45,322	\$ (230,819)	\$ (233,994)	\$ 97,799	\$ 68,174
<b>EBITDA</b>	\$ 323,876	\$ 63,605	\$ 40,780	\$ 353,607	\$ 322,364
<b>Investments</b>	\$ 67,953	\$ 51,838	\$ 247,709	\$ 351,706	\$ 219,803

# OPERATIONS

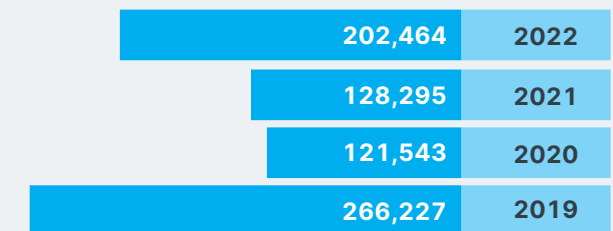
## PASSENGER TRAFFIC



## CARGO VOLUME (t)



## AIRCRAFT MOVEMENTS







# Message from Management



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## ZONE OF STRONG TURBULENCE

The year 2022 began on a dark note. The emergence of a new variant related to the COVID-19 pandemic prompted the Canadian government to reintroduce strict measures at its borders. Our teams saw their hopes for a recovery in the airline industry fade a little further each day, and we had to be patient... again! Fortunately, history did not repeat itself. Spring brought new life and good news. The health situation improved, the measures were relaxed, and passengers returned to YUL. Finally!

The summer season was expected to be very busy. Although everything was in place to welcome passengers at our international airport, it is clear that the recovery was far too abrupt for an industry that had been on life support for almost two years. The phenomenon some like to call “revenge travel” grew at an incredible rate. This is understandable. People wanted to live, to explore, to discover the world.

This steady growth in passenger numbers, especially at peak times, put a strain on our systems. Coupled with the labour shortage facing all industry partners, it was a perfect storm.

Images of stacked suitcases and long queues at YUL and most other major international airports around the world began to circulate in the media and on social networks. It was a difficult situation, especially for an organization

like ADM that has spent the last decade building a service culture that puts passenger satisfaction first.

Thanks to a joint effort by all members of the airport community, a review of processes, the hiring of new resources, and the decision by several airlines to revise their flight schedules, the severe turbulence experienced by our airport was fortunately resolved in the last third of the summer season.

### What happens next

But the situation has left its mark. Travellers and employees alike have been deeply affected by this unfortunate episode in the history of air travel. We have learned from it. Our entire team is motivated by the same goal for the coming year: to strive for operational excellence in our facilities. Our [2023-2028 Strategic Review](#) can be found later in this document. We are confident that the measures taken will result in an improved situation for the coming summer season.

However, we must not forget that there are still challenges ahead. YUL’s systems, baggage rooms and drop-off area are saturated at peak times. We had big plans to increase our passenger handling capacity. These plans have been put on hold and will start later than originally planned.

Remember that COVID will have cost ADM at least \$1 billion. Logic would have dictated that our teams use the downtime to upgrade our infrastructure, even if it was not being used. But the reality is very different. We had to make choices because of our limited financial resources.

Under the Canadian model, airport authorities receive no operating subsidies from the government and fund their infrastructure projects primarily through self-generated funds and debt. When there are few passengers, as there had been for 24 months, there is little revenue and unfortunately it is the projects that suffer.

### Taking flight again

Fortunately, 2022 was not just about global airport chaos. It showed the resilience of our industry and allowed us to reconnect with our passengers. Quebecers started travelling abroad again. Families that had been separated for too long were finally reunited.

As YUL’s passenger numbers increasingly returned to pre-pandemic levels, many services were reactivated. New businesses also opened. The masks came off and the buzz returned to our terminal. Revenues – because they are necessary for our model to work – also began to grow.





## Message from Management

While our international airport was trying to get back on its feet, our YMX site continued its impressive momentum. Projects multiplied, the number of quality jobs created by the operation continued to grow, and new partners joined the ranks of this world-class aerocity. But that's not all. Two major events, the Make-A-Wish 48-HOUR RIDE and the Volaria Aeronautical Festival took up residence there, opening up the facilities to the community.

The chapter now being written at YMX is the most glorious in its history, and ADM is proud to be contributing to the economic vitality of the Mirabel region.

### Back on track

In terms of achievements, the mobilization of the construction site for the YUL REM station is certainly at the top of the list. After securing funding from the Government of Canada, the Government of Québec and the Infrastructure Bank of Canada, and awarding the contract to Connect Cité, a general partnership formed by AECON and EBC, the teams began excavating the airport site.

The station will be located about 35 metres below the multi-level parking lot in front of the terminal building. This is a major project that has to be coordinated with finesse and care – an airport is a place in constant motion. Every effort is being made to minimize the impact of this huge construction site on users.

Over the past year, ADM's technical teams and the REM project office have held numerous meetings to optimize the airport link's start-up date. ADM has committed to completing its part of the work in spring 2026. Tests will then be carried out by REM to complete the integration of the station into the network, which should lead to commissioning in 2027.

This is a delay of about two years, a direct result of an exceptional crisis and its aftermath. We know that travellers and employees are looking forward to boarding the REM. We are also delighted that our airport will finally be connected to the city centre with a reliable, fast and sustainable transport solution. The arrival of the REM at YUL marks the beginning of a new era.

### Doing things differently

The relaunch of an industry is also an ideal opportunity to question the way things are done and the established order. Over the past year, ADM has accelerated its transition to sustainability, but more importantly, it has focused on planning for change through the implementation of concrete actions, some of which are presented in the [Sustainability Report](#) that you can consult in this annual report.

Following an update of its Sustainability Commitment for its two airport sites and its 2021-2025 Sustainability Action Plan, which was finalized in 2021, ADM published its [Sustainability Plan](#) in April 2023. The publication of this version 1.0 complements the measures already being taken by ADM, but above all it allows the Corporation to share its ambitions with its partners, communities, travellers and the general public, in the hope that they will take ownership of them in turn.

We firmly believe that, together, we can make progress in shaping a sustainable future.



## Message from Management

### Special thanks to our teams

Finally, we would like to acknowledge the tremendous work of ADM's employees, who have driven the recovery of YUL and the growth of YMX in what has not always been an easy environment.

It is no secret that the strength of an organization lies in the quality of its people.

It is not by chance that this team and all members of the community were named Best Airport Staff in North America at the Skytrax World Airport Awards for the second time in less than five years!

We are very fortunate to have dedicated and motivated colleagues who are committed to serving our passengers and customers. Whether they've been with us for 20 years or have joined our extended family in the last eight months, we know we can count on them through thick and thin.

Thank you for always being here. The good times are arriving and we are looking forward to a calmer journey over the next year!



**Danielle Laberge**  
Chair of the Board  
of Directors



**Philippe Rainville**  
President and Chief  
Executive Officer



We are very fortunate to have dedicated and motivated colleagues who are committed to serving our passengers and customers.





## THE END OF A CHAPTER

This is the last Message from Management that is co-signed by Danielle Laberge and Philippe Rainville. At the time of writing, proceedings are underway to ensure the proper succession of these two positions and announcements will be made in due course.

“The decision to join a board of directors is not one taken lightly. Over the past 12 years, I have contributed my heart, skills and knowledge to an organization that is vital to its community. When my term as Chair ends in May 2023, I will have fond memories of my time at ADM. Having extended my term by three years to maintain stability in the midst of an historic crisis, it is time for me to step aside and say goodbye. I would like to thank the members of the Board for their unwavering support. Our many interactions have fulfilled me and, more importantly, made ADM an even stronger Corporation.”

— Danielle Laberge

“After a career that has taken me through more than 15 years at ADM, including the last six in the role of President and CEO, I will be stepping down at the end of 2023 for a well-deserved retirement. It is with a heavy heart that I will be leaving this exciting environment that has given me so much satisfaction! There have been a number of challenges – economic crisis, major projects, pandemic – but that’s what has made my daily life so stimulating. Days go by at ADM, but they are never the same! My passion for the aviation industry will never die. I will leave with my head held high and a sense of accomplishment. My legacy, the importance of putting passengers first, will live on and I will be forever proud of it. I thank my staff, the members of the Management Committee and the Board of Directors for their confidence.”

— Philippe Rainville





# Activity Review



## 2022 AT A GLANCE

The following business review explores the chronology of significant events that marked the 12 months of 2022, allowing YUL to reconnect with its passengers at home and abroad, and YMX to consolidate its place as a premier business aviation destination.



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**JANUARY 2022**

- + CAC CAUCUS PRESIDENCY
- + REM STATION
- + SONIC THE DOG



**FEBRUARY 2022**

- + 2022 OLYMPIC WINTER GAMES
- + NEW DESTINATIONS FOR THE SUMMER SEASON
- + FIRST AIRPORT ENTERTAINMENT LOUNGE

- Philippe Rainville, President and CEO of ADM Aéroports de Montréal, is appointed Chair of the Large Airports Caucus as part of the new leadership team of the Canadian Airports Council (CAC), a division of Airports Council International. The CAC is the voice of Canada’s airports. Its 56 members represent more than 100 airports, including all commercial airports in the National Airports System (NAS) and many municipal airports in Canada.
- An important step is taken in the construction of the REM station at YUL. ADM announces that, following a rigorous bidding process, it will award the final contract for the project to Connect Cité, a general partnership formed by Aecon Group Inc. and EBC Inc. Construction of the station, which will be located approximately 35 metres below the multi-level parking lot in front of the terminal building, will begin in mid-March.
- A new member of the airport security team has joined YUL: Sonic the Dog! After an initial three-month training period, Sonic is now responsible for passenger security under the supervision of his handler, Marie-Noëlle Côté, and her canine team (K9).
- YUL welcomes back Canadian team members from the Beijing 2022 Olympic Winter Games. It is an emotional evening that gives these great athletes a safe place to reunite with their families and celebrate their achievements.
- Air Canada is reintroducing service to popular destinations for the summer season, both internationally and in North America. The addition of destinations such as Milan, Seattle, Atlanta and Detroit, as well as the resumption of flights to Barcelona, Tokyo and Athens, will be welcomed by both leisure and business travellers.
- ADM is proud to join the [Canadian Council for Sustainable Aviation Fuels](#) (C-SAF) and its many partners to facilitate the production and delivery of affordable, low-carbon, Canadian-made sustainable aviation fuels (SAF). This is an important step in the continued decarbonization of Canadian aviation, where the use of SAF can reduce lifecycle carbon emissions by up to 80% compared to conventional jet fuel.
- Canada’s first airport entertainment lounge opens at YUL. With more than 25 games per station, the latest PlayStation 5 consoles, gamer snacks and high-speed internet, passengers can now enjoy their stopover playing games and escaping the pressures of travelling through the international jetty.





 **MARCH 2022**

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- + SUMMER SCHEDULE**
- + ONE MILLION PASSENGERS**
- + PLANT INSTALLATIONS**

- Transat announces its summer schedule from YUL. The Québec-based airline is seeking to strengthen its service to Europe, consolidate its position in the United States by offering flights to Los Angeles and San Francisco for the first time, in addition to a selection of destinations in the South, and improve its schedule in Canada.
- For the first time since the beginning of the crisis, YUL welcomed one million passengers in a single month. The recovery of operations is taking shape and forecasts suggest a full recovery in time for the summer season.
- YUL is getting more colourful as brand new plant installations appear in the terminal’s jetties, brightening up the space for travellers.

 **APRIL 2022**

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- + RELAXATION OF BORDER MEASURES**
- + PREMIUM KIDS**
- + NEW DEDICATED VEHICLE FOR ORGAN TRANSPORT**
- + TRIBUTE TO GUY LAFLEUR**

- The Government of Canada announces the relaxation of certain border measures. Asymptomatic and fully vaccinated travellers will no longer be required to show a negative test when entering Canada. This is an important first step in reviving the industry for the upcoming summer season.
- After a two-year hiatus, Premium Kids returns to YUL. In its 8th edition, this unique activity will have enabled 80 children with Autism Spectrum Disorders (ASD) or functional limitations to familiarize themselves with the airport process in order to reduce their anxiety when travelling by air.
- The ADM Airport Patrol Team will take possession of a new dedicated vehicle to continue its volunteer mission of transporting organs from various Canadian and even international destinations. Since 2006, the team has travelled approximately 3,000 kilometres per year, serving approximately 15 hospitals in the Greater Montréal area.
- The YUL community pays its final tribute to Guy Lafleur. In recognition of the undeniable impact of the man who is considered the idol of many generations in Québec and one of the greatest hockey players in history, the “O” on the front of the terminal proudly displays the famous Number 10 of “Le Démon Blond.”





MAY 2022

+  
BUSH FIRE

+  
LARGE-SCALE  
MISTRAL EXERCISE

+  
300 UKRAINIAN REFUGEES

+  
2022 DANDELION CHALLENGE

- Many YUL firefighters (SIADM) take part in a major operation to extinguish a bush fire that broke out in the Perron industrial and port area of Salaberry-de-Valleyfield. During the operation, the telescopic mast of the SIADM truck allowed strategic areas to be sprayed, unlike the city’s equipment, which is not mobile. The use of water and foam allowed oxygen to be cut off, facilitating the work of other teams in the battle. Fortunately, no injuries were reported as a result of the incident.
- The emergency preparedness team organizes the large-scale MISTRAL exercise at YUL. With more than 300 extras and participants, this is the first field exercise since the pandemic began. These types of activities – which alternate between the YUL and YMX sites – are mandatory under ADM’s lease with Transport Canada and are designed to improve existing procedures, validate training levels and test cooperation with various partners in the airport community. Another exercise, called NATURE, will be held in November to validate the actions to be taken in the event of an incident on the airport site.
- After three months of war in Ukraine, the first transport of refugees is organized by the federal government. YUL welcomes a flight from Poland with around 300 Ukrainians on board. Many ADM employees volunteer for this humanitarian operation. Their volunteer efforts add to the list of generous actions the teams have taken since the conflict began, including an internal fundraising campaign that resulted in a \$20,000 donation to the Canadian Red Cross.
- ADM’s grounds maintenance team is participating in the 2022 Dandelion Challenge. This initiative, created by Miel & Co., involves not mowing lawns for the entire month of May, in order to provide food for bees and other pollinating insects. This means that almost seven million square metres at YMX and 246,666 square metres at YUL will not be mowed during this period, the equivalent of... 665 football pitches!







**JUNE 2022**

- + REHABILITATION PROJECT
- + WEATHER CONDITIONS
- + BIODIESEL
- + BUILDING ENERGY CHALLENGE

- Runway 06L-24R (north runway) is back in operation after being closed in March for Phase 3 of a major rehabilitation project. The project consisted of “whitotopping,” the covering of an existing asphalt surface with a layer of cement concrete. Electrical work will follow in order to meet new standards. No air capacity issues were identified as a result of the runway closure. Public meetings were held to explain the work and the changes it will bring to flight paths.
- Severe weather – thunderstorms, lightning warnings – lead to a complete shutdown of ground operations at YUL for more than four hours, disrupting the plans of thousands of passengers. This was an exceptional situation where safety issues were paramount, since it was unthinkable to have employees working on the apron in such a dangerous environment. Thanks to the considerable efforts of airline partners, almost all passengers stranded at YUL are able to fly to their destinations within 72 hours of the weather event.
- ADM teams are combining their skills and environmental awareness with those of Québec-based Innoltek in a pilot project to test the operation of biodiesel equipment. For four months, two tractors in the YMX fleet used for grounds maintenance have been running on 100% biodiesel (B100). This initiative will have resulted in a reduction of 8.7 tonnes of greenhouse gas emissions or the equivalent of a flight from Montréal to Toronto!
- ADM makes its mark in the second edition of the Building Energy Challenge (BEC), an initiative of BOMA Québec aimed at reducing the energy consumption and greenhouse gas emissions of commercial, institutional and multi-residential buildings in Québec. It did so first by winning the Platinum category of the GHG Target Achievement Award. All participants were required to reduce their buildings’ GHG emissions by at least 10%. For this competition, building GHG emissions in 2021 were compared to those of 2018, and winners were chosen based on the percentage reduction achieved. YUL achieved a 34% reduction. It was then awarded the Energy Performance Improvement Award–Consumer Service Category, thanks to efforts that resulted in a 23% improvement over 2018.





**JULY 2022**

- + DAILY EXCHANGE FORUMS
- + EXPLOSIVES DETECTION EVENT
- + FRESHNESS

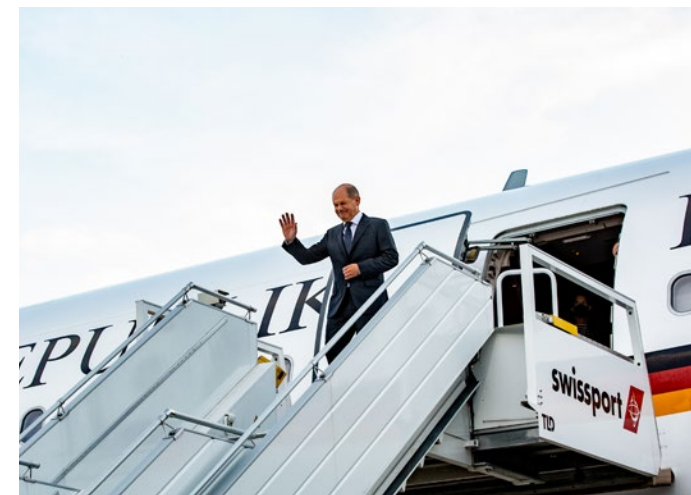
- The situation at airports around the world is challenging. To help members of the airport community improve services to travellers and ensure better coordination between partners, ADM is setting up daily exchange forums. In addition, to help airlines manage baggage congestion at arrivals, Airport Patrol teams are increasing surveillance, and commercial space is being made available to them for baggage storage. Protective partitions are also installed in the domestic area and a security officer is present at the arrivals entrance from morning to night.
- Proud Airport Patrol representatives steal the show at the 2022 Can-Am Police-Fire Games, a multi-sport event held every two years in North America that brings together police officers, correctional officers, firefighters and paramedics to compete in various events. Mélissa Desroches, chief dog handler, and her four-legged colleague Nyx won gold in the explosives detection event.
- The sweltering July heat makes work difficult for crews providing ground services to aircraft at YUL. To help keep them cool, a distribution of ice-cream treats is organized on the apron. Of course, ice cream is not the only initiative taken to support the health and safety of the airport community during the summer months. For example, misting stations are installed and a special bulletin issued to remind staff of the importance of following basic guidelines during periods of intense heat.



**AUGUST 2022**

- + GERMAN CHANCELLOR
- + ADM CELEBRATES ITS 30<sup>TH</sup> ANNIVERSARY

- YUL welcomes German Chancellor Olaf Scholz and Vice-Chancellor Robert Habeck to its tarmac, along with Canadian Deputy Prime Minister Chrystia Freeland, as part of a three-day visit to Canada with Prime Minister Justin Trudeau. The Konrad Adenauer aircraft of the German Air Force lands shortly after the rain in front of Canadian government officials and many journalists. This converted Airbus A340-313 can fly 13,500 kilometres without stopping.
- ADM celebrates its 30th anniversary on August 1st. In 1986, the federal government announced the privatization of Canada's major airports. In 1992, Aéroports de Montréal was created to manage, operate and develop YUL Montréal-Trudeau International Airport and YMX International Aerocity of Mirabel.







**SEPTEMBER 2022**

- + SWIFT CONFERENCE
- + 48-HOUR RIDE
- + VOLARIA AERONAUTICAL FESTIVAL

- ADM is proud to host the SWIFT Conference in Montréal, opened by Philippe Rainville. This major event focuses on the exchange of ideas and solutions being proposed in the airport world to address issues that may arise in airside operations. It is also a great opportunity for all the major players in the airport industry to get fresh ideas and discuss best practices.
- More than 30 ADM employees take part in the 14th edition of the Make-a-Wish® 48-HOUR RIDE, which is held at the YMX site. Participants cycled hundreds of kilometres day and night. In total, more than \$2 million is raised to help make the dreams of children with serious illnesses come true.
- ADM hosts the first edition of the Volaria Aeronautical Festival at its YMX site. Nearly 50,000 visitors of all ages flock to the site to enjoy the activities, exhibits and breathtaking aerial displays. The event required the commitment and support of dozens of employees from ADM, YMX and YUL over several weeks. Because of its success, the festival will return for a second edition in 2023.



**OCTOBER 2022**

- + END OF HEALTH RESTRICTIONS
- + NEW DESTINATIONS
- + FIRE PREVENTION WEEK
- + SUSTAINABILITY PLAN

- The federal government announces the end of health restrictions at the border. Travellers will no longer be required to enter their health information into the ArriveCAN application and the requirement to wear masks at security checkpoints and on board aircraft is removed. This is good news that will allow for a better flow of passengers throughout their journey.
- Airlines are preparing their schedules for the coming months and announcing the addition of popular destinations to YUL's air service, including Air Canada, which plans to launch a Montréal-Copenhagen and Montréal-Toulouse service in the summer of 2023.
- In conjunction with Fire Prevention Week, YUL and YMX fire stations are opening their doors to airport community members to learn more about the fire service and safe work practices.
- As part of its sustainability initiative, ADM is consulting with its stakeholders to identify the sustainability issues that should be prioritized. A brief survey is developed and responses help the organization identify the most important issues and guide the development of its [Sustainability Plan](#).



 **NOVEMBER 2022**

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- + **“REGARDS CROISÉS” EXHIBITION**
- + **4-STAR CERTIFICATION**

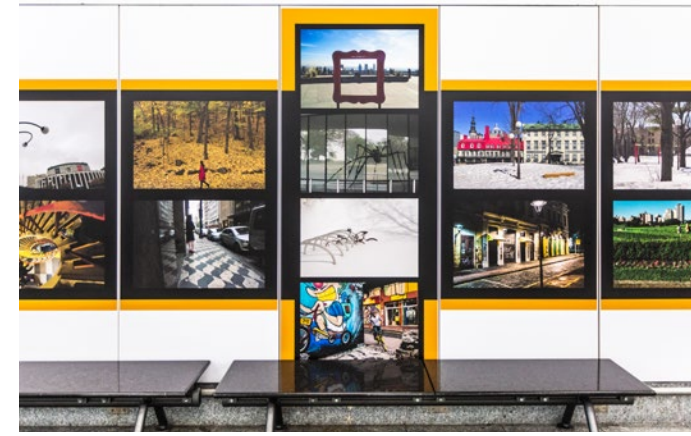
 **DECEMBER 2022**

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- + **REM STATION CONSTRUCTION**
- + **COP15**
- + **WINTER STORM**

- YUL hosts the exhibition “Regards croisés”, an artistic initiative in partnership with the Brazil-Canada Chamber of Commerce, the Consulate General of Brazil in Montréal and its partner, Air Canada. The exhibition, which aims to open a dialogue between Brazil and Canada, features works by professional Brazilian and Canadian photographers who were invited to point their lens on the other country.
- YUL renews its prestigious 4-star certification from Skytrax’s World Airport Star Rating. The results of this ranking, considered a benchmark in the global airport industry, stem from an audit process that recognizes the quality of facilities and services, as well as the efforts of staff to improve the passenger experience. Skytrax specializes in ranking international aviation organizations and advises the world’s airlines and airports on how to improve the quality of their service delivery and facilities management.

- ADM welcomes a select group of Montréal media to the YUL REM Station construction site for a technical briefing on the project’s progress. Excavation of the station is now at the halfway point. In total, the project will require the excavation of 104,000 m<sup>3</sup> of rock, the equivalent of 42 Olympic-sized swimming pools! Excavation is expected to be completed in the spring of 2023 and work on the construction portion of the project will begin the following fall. ADM has committed to completing its part of the project in spring 2026 and the link will be commissioned by CDPQ-Infra in 2027.
- Thousands of delegates arrive in Montréal for the 15th session of the Conference of the Parties (COP15) to the United Nations Convention on Biological Diversity. This major event brings together governments from all over the world. To welcome them to YUL, ADM works with a tactical group made up of various police forces and develops detailed operational scenarios.
- The year 2022 ends with a major winter storm, featuring high winds, affecting much of the country and the east coast of the United States. YUL’s maintenance crews work hard to keep the airport fully operational during this unusual weather event. Despite the efficiency of winter operations, many travellers’ plans are affected by flight disruptions due to the impact of the storm and the situation at other airports.





# PASSENGER EXPERIENCE

## Customer Satisfaction

In 2022, the YULSatisfaction team continued to help passengers seeking clarification following changes to travel restrictions and various weather events throughout the year. Whether it was about screening tests, vaccination passports, parking or connecting flights, the platform was an invaluable source of information for passengers.

Specifically, 14,386 tickets were received via the platform form during the year, a significant increase from the 8,300 tickets processed in 2021. Of these, more than 55% were requests for information and 8% were complaints, mainly due to a difficult summer season for the airline industry, with numerous flight delays and baggage handling issues for airlines. By comparison, in 2021, despite a reduced number of passengers handled at YUL, the proportion of tickets dealing with dissatisfaction was slightly lower (6%) and ADM received slightly more requests for information (68%). It should be noted that 6,283 additional tickets were also created on the YULSatisfaction platform for the management of lost items and 84% of tickets were resolved within 24 hours.

The red-jacketed ambassadors at the Information Desk, who manage YUL's telephone service, received 171,589 calls during the year, with an average call duration of four minutes. Through this call centre, the majority

of passengers wanted more information about flight reservations and check-in, flight status, parking fees and items allowed at security checkpoints. The mystery shopper program was also resumed in 2022, with an average score of 83.4% for the commercial component. The parking and taxi components, which were reactivated as part of the program in July, received scores of 88.6% and 80.5%, respectively.

Finally, with a view to continuous improvement, the YULchat service was migrated to the Zendesk platform in March 2022. At that time, several changes took place, especially in proactive contact with passengers. Now, after just a few minutes, a message is sent to ADM website visitors offering assistance. A total of 169,387 instant chats were recorded during the year, with an average waiting time of 96 seconds. Customers using the service can rate their satisfaction with the agents managing the chat, and 92.3% of them said they were satisfied with the help they received.



**14,386**

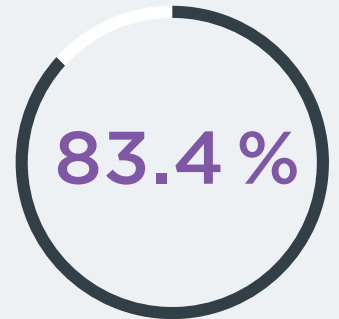
**tickets were received via the platform**

during the year

**Mystery shopper program has an average score of**

**83.4%**

for the commercial component



during the year

**169,387**

**instant chats were recorded**



## Passenger Services

As part of the gradual recovery of activities, several services that had been suspended at the height of the pandemic were resumed for the benefit of YUL passengers. Feigan, Cabby, Horus, Anubis and all the other star dogs of the Pet Squad were able to resume walking the terminal corridors with their volunteer handlers, bringing comfort and delight to travellers. Baggage porters, recognizable by their red YUL polo shirts and jackets, were also back in action every day of the week.

A new colourful playground was inaugurated in the domestic area. To help passengers and their companions find their way around the terminal, three official meeting points were set up, two on the departures level and one in the arrivals area.

Two new free services were introduced to improve the flow of traffic and speed up access to airport processes:

- **Mobile Passport Control** (flights to the U.S.), an application that allows passengers to submit their passport information and customs declaration in advance to take advantage of a priority line once at the airport;
- **YUL EXPRESS** (international and domestic flights), an online appointment platform that provides a booking for security checks.

In terms of **retail mix**, YUL continued to innovate during the year with the opening of new restaurants, including Cafe Livia, with a health-focused menu, and a brand new Hurley's counter, both located in the international zone. On the domestic side, a new Hatley store was opened, offering a selection of women's and children's daywear, rainwear, swimwear and pyjamas in colourful prints.

In ground transportation, an agreement with Precise ParkLink brought changes to parking, including the ability to pay for it using a mobile device. ADM began this relationship in 2014 and in 2022 entrusted the company with the management of parking, the dispatching of taxi, limousine and charter bus services at the airport's pickup and drop-off areas, as well as customer assistance in parking and transportation services.

Finally, after a two-year hiatus, travellers could once again request valet parking services at YUL.

## Accessibility of Services

ADM is committed to providing equitable services and adapted airport facilities that are accessible to all. In 2022, ADM continued to work with the airport community and its partners on accessibility, while complying with the Canadian Transportation Agency's Accessible Transportation Regulations.

Specifically, ADM:

- Participated in a University of Ottawa LIFE Research Institute research project on air travel and passengers with cognitive impairment or dementia.
- Continued to work with Kéroul to train its staff and service providers.
- Continued to participate in the Canadian Airports Council's Accessibility Working Group.
- Participated in the Canadian Transportation Agency's consultations as part of its efforts to protect and promote the rights of passengers with disabilities.
- Prepared for the implementation of new regulatory requirements, including Canadian Accessible Transportation Planning and Reporting Regulations. This will require ADM to implement mechanisms to identify and remove barriers and prevent the creation of new barriers in priority areas such as services, equipment and infrastructure, communications, security screening and border control. These new requirements will come into effect in June 2023.
- Began the process of obtaining Airports Council International (ACI) Accessibility Accreditation.





## REAL ESTATE DEVELOPMENT

YMX had numerous development opportunities in 2022 and the year was full of diverse projects, including the development of more than 1.2 million square feet of land on which four new buildings were constructed, representing more than 500,000 square feet. The new buildings, called YMX 1, 2, 3 and 4, are owned by ADM in partnership with Edifis and Syscomax. In this way, ADM took advantage of favourable market conditions to enable its Aerocity to consolidate its position as an international aeronautical hub, while strengthening its non-aeronautical revenues.

In partnership with the City of Mirabel, work on the extension of Irénée-Vachon Road was also completed in 2022. Work on the first section of the new Georges-Louis-Vézine Road began in 2022 and continues in 2023. The construction of this new access road will make it possible to reach the western part of the site via Saint-Simon Road.

The presence of Airbus on the YMX site also continues to generate many positive spin-offs for the industry, including a significant increase in production of the Airbus A220. Lion Electric completed the construction of its new battery plant on the airport site and the facility produced its first lithium-ion battery packs, allowing YMX to further position itself in the development of the transport electrification sector.

Finally, two tenants on the YMX site, Blondel and Transit Nord-Plus, announced a merger, a sign of the strengthening and consolidation of the supply chain of the various partners on the YMX site.



Photo: Caroline Parron Photographies







# Airport Operations



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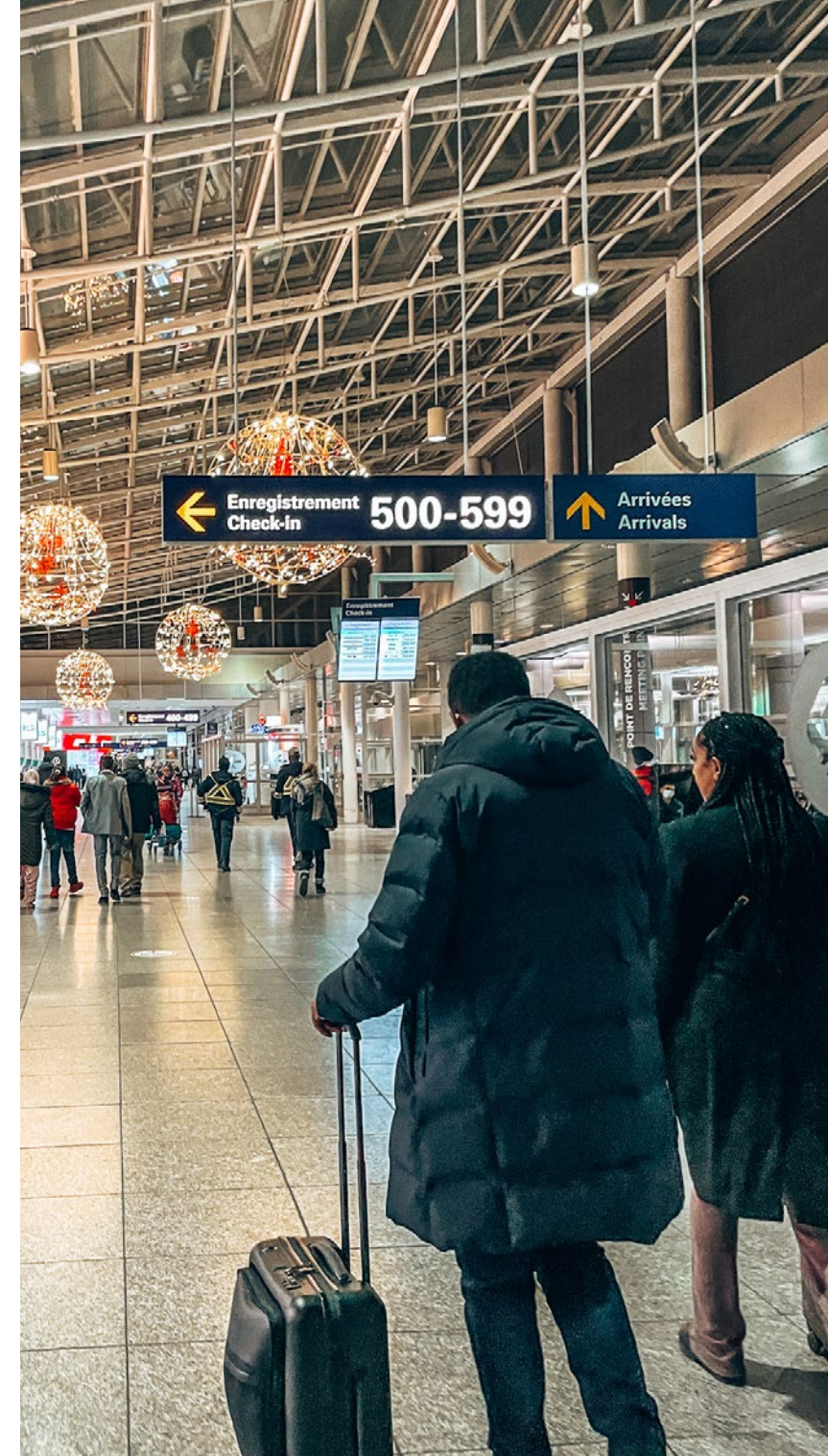
## PASSENGER TRAFFIC

While the year 2022 started slowly with the arrival of the Omicron variant, the month of March marked the beginning of a significant recovery in aviation activity at YUL, which welcomed one million passengers for the first time since the beginning of the pandemic. From the first quarter onwards, passenger traffic increased significantly, especially with the easing of health measures at the borders. Travellers were once again attracted to flying and YUL began to recover and fully resume its role as a major international aviation hub.

In 2022, nearly 16 million passengers passed through YUL, a significant increase from the 5.2 million passengers recorded in 2021. The traffic recovery accelerated throughout the year, with the last two quarters reaching 89.4% and 94.7% of 2019 levels, respectively. Overall, the year ended with 78.7% of the traffic recorded in 2019, which remains the benchmark year for ADM.

	2022	2021	2019	Variance 2022-2021	% of 2019
1 <sup>st</sup> quarter	2,244,165	436,069	4,677,459	414.6%	48.0%
2 <sup>nd</sup> quarter	3,997,362	475,364	5,010,242	740.9%	79.8%
3 <sup>rd</sup> quarter	5,407,711	1,979,373	6,046,763	173.2%	89.4%
4 <sup>th</sup> quarter	4,331,432	2,310,885	4,572,072	87.4%	94.7%
<b>TOTAL</b>	<b>15,980,670</b>	5,201,691	20,306,536	207.2%	78.7%

The international sector experienced the most robust recovery, returning to 82.6% of pre-pandemic traffic levels, while transborder ended the year at 76.8% and domestic recorded 75.3% of 2019 traffic. Compared to 2021, all three sectors recorded impressive increases of 273.1%, 305.3% and 121.6%, respectively.



## AIR SERVICES AND MOVEMENTS

The resumption of operations in 2022 resulted in a consolidation of service offerings across all segments compared to 2021.

Air Canada continued to expand its service with the addition of nonstop service to destinations such as Gander, Newfoundland and Labrador, and San Diego, Nashville and Seattle on the transborder route. The launch of a new route to Milan, the resumption of the Montréal-Tokyo (Narita) route, and the overall improvement in the airline's international seat capacity also contributed to the sector's strong performance.

Air Transat, for its part, added Los Angeles and San Francisco to its transborder service, in addition to the resumption of several popular international destinations that were served in 2019. The airport also welcomed back a number of airlines that had to suspend their regular services during the pandemic, including Corsair, Icelandair and SATA Internacional. Flair Airlines also diversified its domestic service with new routes.

A total of 34 airlines operated at YUL in 2022, compared to 31 in 2021 and 35 in 2019.

During the year, a total of 148 scheduled and seasonal destinations – 81 international, 32 US and 35 Canadian – were offered from YUL. In comparison, 152 direct connections were welcomed at Montréal-Trudeau in 2019.

In terms of commercial passenger aircraft movements at YUL, there was an increase of 128.1% in 2022, which represented 71.8% of the 2019 level.



During the year, a total of

**148** **scheduled and seasonal destinations**

**Airlines operating at YUL in 2022**



**34**  
compared to 31 in 2021  
and 35 in 2019

**Commercial passenger aircraft movements at YUL**

▲ an increase of

**128.1%**

compared to 2021



## AIR CARGO

The increase in the number of flights to YUL compared to 2021 led to an increase in the capacity available for cargo transport and resulted in an increase in cargo activity compared with the previous year. On the other hand, the increased capacity at YUL had a direct impact on the volume transiting YMX, which decreased compared to 2021.

## VOLUME OF CARGO PASSING THROUGH THE AIRPORT SITES (t)

	2022	2021	2019	Variance 2022-2021	% of 2019
YMX	<b>87,746</b>	104,160	102,885	-15.8%	85.3%
YUL	<b>123,861</b>	88,048	130,278	+40.7%	95.1%
<b>TOTAL</b>	<b>211,607</b>	192,208	233,163	+10.1%	90.8%





Aéroport International Montréal-Trudeau

**YUL** Aéroport International Montréal-Trudeau

**YUL** Montréal-Trudeau International Airport

# Sustainability Report

Photo: Caroline Perron photographies



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## ADM'S COMMITMENT AND VISION

In 2022, ADM reaffirmed its commitment to operating benchmark airport sites that are safe, influential in their sectors, and recognized in their communities for their sustainable practices and social responsibility.

During the year, numerous initiatives were launched at YUL and YMX to improve water quality, reduce greenhouse gas emissions, ensure optimal management of residual materials, ensure the well-being of employees, promote the health and safety of people and infrastructure, achieve high standards of responsible sourcing, and create positive spin-offs in the community.

In the interest of transparency to the public, ADM continued its reporting by publishing a second Sustainability Report based on the standards of the Global Reporting Initiative (GRI). Thirteen topics linked to environmental, social, and governance (ESG) factors

were selected to determine the disclosure indicators within the GRI Content Index, which can be found in this document. Eleven of these were identified from the most recent update of the [Materiality Matrix](#), which shows the sustainability challenges that the organization should prioritize and on which its stakeholders want it to disclose information. In addition to these material issues specific to its operations, ADM included by default in this disclosure two indicators specific to the airport operator sector that are not covered by the identified ESG priority topics.

ADM's sustainability journey continues to evolve. In order to provide internal teams and the external ecosystem with a clear vision of the future, and to inspire them to commit to a common goal, the organization worked to develop its first sustainability plan in 2022. This plan, which can be easily viewed [online](#), provides a strategic

and operational link between ADM's vision, its [Commitment to sustainable development](#), and its various action plans. The plan is a reference tool based on a strategic framework defined according to the risks and opportunities facing ADM and the expectations of its stakeholders. The organization also used the United Nations Sustainable Development Goals (SDGs) as the basis for version 1.0 of this plan.



In order to provide a full picture of its sustainability performance, ADM annually updates its sustainability indicators platform, which is accessible to the general public via its website.

Access  
the site



# PROTECTION OF THE ENVIRONMENT

## Stream Quality

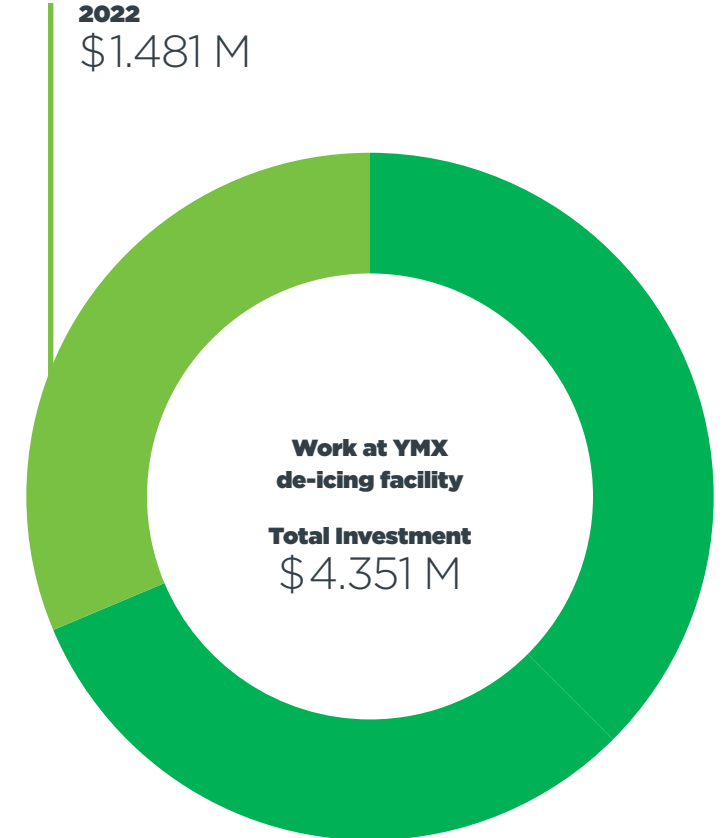
ADM ensures sound water management with preventive measures in place at both YUL and YMX to protect streams from hazardous activities. Each site has a dedicated aircraft de-icing centre and hydrocarbon separators, seven at YUL and three at YMX.

Environmental incidents are recorded, analyzed and promptly followed up on with those responsible. When spills occur, immediate action is taken to stop, clean up and restore the affected area.

In recent years, ADM has performed work at its YMX de-icing facility, which is located in the Leconte Creek watershed. A total of \$4.351 million has been invested, including \$1.481 million in 2022. Recent work has included rebuilding a sump, lining a storm pipe, replacing drainage channels with gutters, and upgrading and adding various controls for glycol water management. Temporary storage tanks for used de-icer have also been added to the site by Aéro Mag, the centre's operator.

Stream quality is also monitored regularly for each of the three watercourses located on the sites. The water is sampled in accordance with the *Guide d'échantillonnage à des fins d'analyses environnementales* of the Centre d'expertise en analyse environnementale du Québec.

ADM pays particular attention to the quality of the groundwater on its airport site because the airport's firefighting training areas were built between 1976 and 2011, and the firefighting foam used at Canadian airports, which was approved and required by Transport Canada, contained perfluorinated compounds, which are now considered contaminants of emerging concern. A water and soil monitoring program conducted by independent experts was implemented in 2010. In 2019, ADM began remediation work in the area. The Phase 1 project facilities (hydraulic barrier and perfluorinated soil and groundwater treatment building) were commissioned in February 2022. These facilities are used to pump and treat groundwater to remove any perfluorinated compounds that may be present. The quality of the treated water is regularly tested. To date, no contaminants have been detected in the post-treatment samples.





## Greenhouse Gas Emissions

ADM now has the lowest greenhouse gas emissions of any major Canadian airport thanks to the implementation of energy efficiency measures and the low carbon footprint of hydroelectricity. Throughout the year, ADM undertook a wide range of initiatives to decarbonize its operations and achieve the ambitious goals it has set out in its [Sustainability Plan 1.0](#).

These include:

- The use of renewable natural gas (RNG), produced from organic waste, to fuel the boilers used to heat the main terminal building at YUL. In 2022, just over 115,000m<sup>3</sup> of RNG was purchased.
- The continuation of its electrical load shedding strategy as part of its participation in Hydro-Québec's power demand management program. Under this program, ADM receives a credit in exchange for a reduction in demand for electrical power during peak winter periods.
- The signing of a contract with the Société de financement et d'accompagnement en performance énergétique (SOFIAC), which became official in the summer of 2022. This partnership will enable the development of several major energy efficiency and greenhouse gas reduction projects at the YUL and YMX sites. Following the signing, requests for proposals were launched and information meetings and visits were organized for bidders.
- The addition of an energy-saving control sequence for the night time operation of the CE-173 and CE-174 electric water heaters. These water heaters serve YUL's main hot water system.
- The verification of the ventilation systems, which was the objective of an optimization project, which showed that 65% of the key system parameters were still correctly set, ensuring the best possible operation of the ventilation systems. The necessary corrections were made by ADM personnel on the parameters that had deviated from their targets. This type of project allows for more efficient use of the ventilation systems, resulting in energy and natural gas savings.
- To better manage natural light in the terminal, ADM reviewed the programming of the motorized blinds to optimize their opening at appropriate times of the day.
  - ADM also redesigned the terminal's interior lighting to identify and reprogram the perimeter lights, which are not on a variable schedule and adjust with the opening of curtains and outdoor lighting.
  - The transition of interior lighting to LED fixtures continued in 2022.
- Improving the efficiency of the terminal's ventilation systems was initiated with an innovative exploratory approach using artificial intelligence systems.
- Replacing exterior lighting with LED lighting as part of the project to replace the ceiling in the transborder departures area. ADM also took the opportunity to remove the natural gas-fired hot water heating system in this ceiling space as it was no longer needed.

In 2022, ADM developed its roadmap to net-zero emissions and revised its Energy Master Plan. Both take into account ADM's sustainability goals, facility development needs and energy supply vision for YUL and YMX.

Finally, ADM is involved in the Climate Montréal Partnership, an independent initiative that aims to mobilize key players in the Montréal community to help reduce greenhouse gas emissions by 55% by 2030 and put the city on a path to carbon neutrality by 2050.

ADM is also a member of the Canadian Council for Sustainable Aviation Fuels (C-SAF) and the SAF+ consortium, which is working to bring to market a low-carbon alternative to fossil kerosene that offers an 80% reduction in lifecycle greenhouse gas emissions. The consortium anticipates that a thirty-million-litre facility could be operational by 2025-2026.



## Residual Materials Management

In 2022, ADM continued its collection efforts for recyclables and compostables at YUL and YMX. Specifically, it:

- Purchased 250 new three-way sorting bins (recyclables, organics and landfill). These bins were installed inside and outside the YUL terminal building.
- Provided nearly 16,850 sorting hours in the compactor rooms to improve source separation performance.
- Donated 36,200 kg of food, 26,500 kg of hygiene products, 2,000 kg of clothing, 65 items of office furniture and 44 office accessories to Le Chaînon as well as 5,200 kg of computer equipment to Insertech.
- Continued its program to recover personal protective equipment (PPE) for recycling, collecting 9,000 kg of this category of material.

These initiatives were made possible in part by a grant awarded by Recyc-Québec through a request for proposals to support projects aimed at the reduction, recovery and recycling of organic materials from the industrial, commercial and institutional sectors. However, in 2022, ADM was not able to maintain the diversion rate achieved in 2021. This situation can be explained by a shortage of labour, which limited the number of operating hours of the sorting rooms, and an increase in people using the terminal, which increased the volume of residual materials generated.

With a view to continuous improvement, the ADM teams also spent part of the year researching and implementing initiatives

to improve the diversion rate of waste materials. For example, in the fall of 2022, ADM issued a policy to regulate the distribution of single-use items at the YUL terminal beginning in 2023. This policy primarily encourages the use of reusable items and, where this is not possible, requires the use of compostable fibre items. The goal is to simplify sorting for passengers, reduce contamination of recyclable materials, and maximize the collection of organic materials. This is a major change for the terminal's concessionaires. ADM supported them by conducting an inventory of available alternative products and validating the selection of alternative items. The policy is scheduled to be implemented in 2023.

To ensure community buy-in for the waste management program, ADM also organized the following awareness sessions:

- An information session for concessionaires on the new single-use container directive;
- Information kiosks for ADM employees regarding separation at source.

In 2022, ADM also undertook a benchmarking exercise for its residue management and hired a consultant to study the technologies available on the market to improve its performance.



**250** new three-way sorting bins

Recyclables  
Organics  
Landfill

**16,850** sorting hours 

to improve source separation performance

### Donations to multiple organizations

**26,500 kg** of hygiene products

**2,000 kg** of clothing to Le Chaînon

**5,200 kg** of computer equipment to Insertech





## Land Access, Intermodality and Connectivity

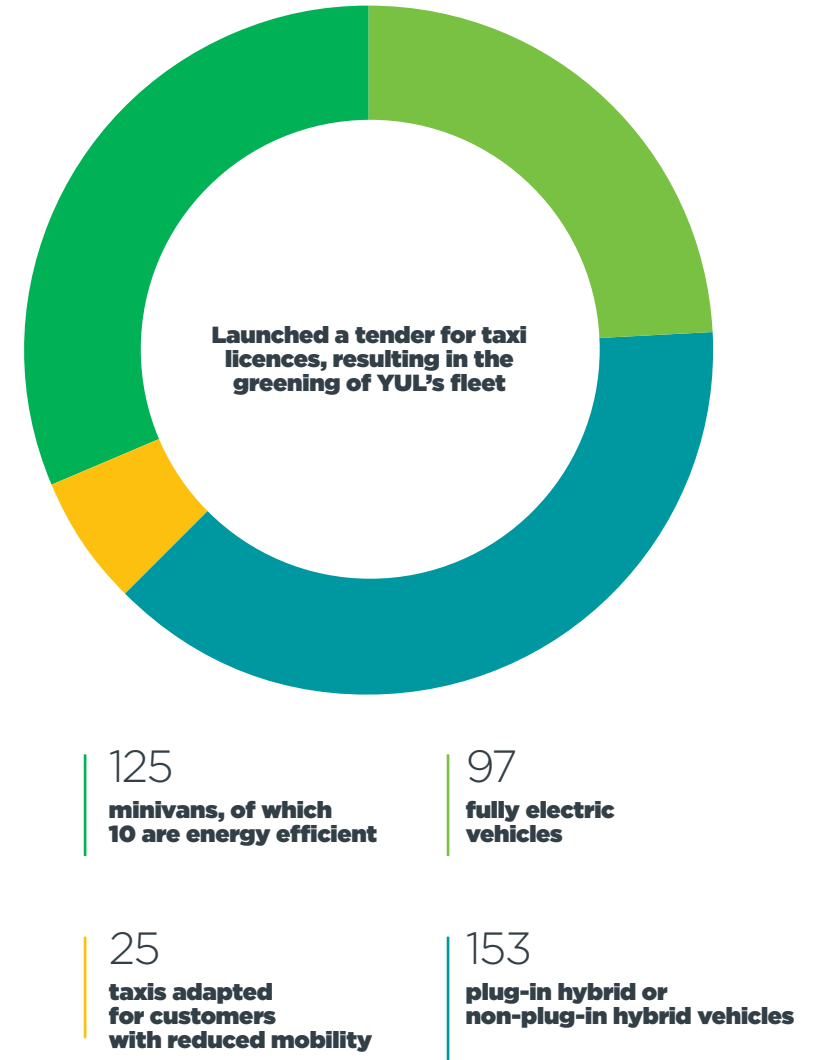
In the area of public and sustainable transport, several measures were developed to encourage passengers and employees of the YUL airport community to use more ecological means of transport. In 2022, ADM ensured that it maintained a diverse range of services at YUL to respond to the resumption of airport activities, while enabling the community to reduce its environmental footprint. A wide range of services are now available, including STM bus routes 747, 204, 209 and 460, car sharing and private shuttles.

During the year, ADM also implemented measures to improve the sustainable connectivity of its airport sites, including:

- Launching a tender for taxi licences, resulting in the greening of YUL's fleet. The fleet now consists of 97 fully electric vehicles, 153 plug-in hybrid or non-plug-in hybrid vehicles, and 125 minivans, of which 10 are energy-efficient vehicles and 25 are taxis adapted for customers with reduced mobility.
- Mobilization of the site and start of construction of the YUL-Montréal-Trudeau rail station, which will be connected to the REM network. ADM is committed to completing its portion of the project by spring 2026. CDQP-Infra also announced that the link, which will improve YUL's intermodality and allow users to reach the city centre in about 20 minutes, will be operational in 2027.
- The installation of charging stations for electric vehicles at the YMX site, near the new Lion Electric battery plant building. A total of eight charging stations are available for employees, 12 for the Innovation Centre, and 15 for prototypes. New charging stations will also be installed in

the parking lots of the YMX1, YMX2, YMX3 and YMX4 rental hangars. In addition, a project is underway to install electric charging stations in the YMX Service Centre car park for maintenance vehicles.

In terms of partnerships, since 2019, ADM has participated in the EV100 initiative launched by the international non-governmental organization The Climate Group, which aims to accelerate the adoption of electric vehicles within companies. As a result, ADM has committed to making its light-duty vehicle fleet 100% electric or plug-in hybrid by 2030. However, due to supply issues, the number of electric vehicles remained stable in 2022. As a result, 12 of the 79 vehicles in its fleet are electric or plug-in hybrids.



## Biodiversity and Greening

ADM continued its work at the Sources Ecological Park by installing milkweed and shrub gardens in the autumn of 2022. Several species of milkweed were used in this project to determine which would be best suited to the environment. A total of 205 milkweed plants (125 swamp and 80 common) were planted. Swamp, common and tuberous milkweed seeds were planted in several small plots totalling approximately 135 m<sup>2</sup>. Native shrubs were also planted in this area. The aim of this planting, carried out in partnership with the Polliflora solidarity cooperative, is to provide resources for wild pollinators, particularly the Monarch butterfly, and to help improve the biodiversity of the park.

ADM also enhanced its cityside facilities at YUL by planting 106 trees, including Ginkgo, Honey Locust, Amur Maple, Amur Maackia, Colorado Spruce and Black Pine. These additions can be seen in Jacques de Lesseps Park, along English Street, but also along Highway 520 at the edge of the Aloft, Aeroparc A1 and P11 car parks, and were realized with the help of SOVERDI and GRAME.

In 2022, ADM also undertook various initiatives at its sites, including:

- Carrying out an ecological study as well as a management and development plan for the natural assets of the entire northern sector at YMX. The purpose of this plan is to establish the knowledge base necessary for an environmental analysis in order to identify good management practices for natural environments and to guide the sustainable development of the territory.
- Pilot tests for the control of orthopterans, namely crickets, grasshoppers and crickets, at YUL with nematodes and diatomaceous earth. Orthopterans are a type of insect that attract birds. Their presence at the airport therefore increases the risk for bird strikes with aircraft. However, the results of the pilot test were inconclusive and it will not be repeated.
- Preservation of a woodlot on the Lion Electric site at YMX.

It should also be noted that ADM requires that a minimum amount of tree cover be maintained on land developed as part of partner projects at YUL and YMX. Its goal is to maintain 25% of the canopy on the site, which excludes the canopy occupied by buildings.



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## Development Projects and Tenant Permits

All proposed development projects on the YUL and YMX sites are reviewed by an environmental specialist to ensure that they comply with environmental regulations and incorporate ADM's strict requirements for sustainable development and environmental protection, both in terms of design and construction activities. In 2022, ADM:

- Evaluated 44 permit applications for projects carried out by its tenants.
- Conducted environmental assessments of nine projects subject to the Impact Assessment Act (IAA), including six at YMX and three at YUL.
- Registered all projects subject to the Canadian Impact Assessment Registry.

Ecological studies are carried out for projects to be located in an undeveloped area of one of the airport sites to identify the presence of status species, wetlands, migratory birds or other environmental issues, and to implement the necessary mitigation measures. In some cases, mitigation measures are implemented for special status species. For example, as part of the STELIA Aerospace facility expansion project at YMX, white trillium and Canadian bloodroot will be planted in 2022.



## Awards and Recognition

- Renewal of **ISO 14001** certification for ADM's environmental management system for YUL and YMX activities. The certification is valid for three years and a maintenance audit is scheduled for 2023 and 2024.
- YUL was re-certified at the **Airport Carbon Accreditation** Optimization level, a program conducted by Airports Council International (ACI) that evaluates the steps taken by airports to reduce their greenhouse gas emissions.
- Renewal for ADM headquarters of **Fair Trade Workplace** designation for the year 2022.
- GHG Target Achievement Award in the Platinum category – 20% to 50% reduction – and Energy Performance Improvement Award in the Consumer Services category as part of the Building Energy Challenge 2.0, an initiative of BOMA Québec.





# SOCIAL RESPONSIBILITY

## Human Capital

After more than two years of retrenchment, marked by massive job cuts and constant pressure on remaining resources, last year was a year of rebuilding for the extended ADM family.

Faced with an ever-evolving work reality, the Human Capital team had to redouble its efforts in 2022 to continue to attract talent to ADM and, more importantly, to create strong and effective retention mechanisms to keep its skilled workforce in place. Flexibility, adaptability and creativity were clearly the keywords at the heart of the actions proposed in this regard.

Despite the shortage of skilled labour in all industries and the associated difficulties in recruiting, the attraction of the airport environment has remained strong, allowing ADM to welcome many new faces to its ranks, adding to and consolidating the expertise of the organization's key players.

### Talent management and acquisition

With the revival of the airport business accelerating demand for ADM's workforce, the talent acquisition team had to pick up the pace in 2022. A total of 189 positions needed to be filled.

Several initiatives were launched to support this intense activity. These strategies were aimed not only at meeting needs, but also at targeting profiles that match ADM's values to ensure the sustainability of recruitment.

The creation of an Employee Value Proposition (EVP) was completed in the fall, allowing to better focus attraction and communications activities on the four pillars defined for ADM: its customers, its unique environment, its talents and its community. Attraction tools were developed around the "*Né.e pour ADM*" driving concept. A social media attraction strategy was also reviewed, notably with the improvement of the corporate life page on LinkedIn, the adaptation of job descriptions to new trends, the creation of tools highlighting the attractive employment conditions offered by ADM, and the deployment of new promotional campaigns on various social networks and media.

In addition, the Corporation participated in various job fairs organized by the Volaria Aeronautical Festival in Mirabel, the Chamber of Commerce of Metropolitan Montréal, Aéro Montréal and PMI (Project Management Institute), and strengthened partnerships with various schools and universities (Polytechnique, ÉTS, HEC, etc.). ADM also revised its referral program to make it more competitive and adapted to the current realities of the Québec talent market.

The onboarding and integration process for new employees was improved and adapted to the new reality of hybrid work. In 2022, the focus was on greater agility to make this process more fluid. To this end, four new welcome modules were created with the valuable input of managers and employees to help new employees quickly grasp the scope and unique

complexity of working at YUL and YMX. A new module was added to the SuccessFactors platform to enhance the functionality of the technology and make the process even more dynamic to meet the unique needs of each team and talent. In addition, Diversity, Equity and Inclusion programs began their transformation to facilitate the arrival of new talent from diverse backgrounds, fulfilling ADM's commitment to further improve representation within the organization and emphasize its values of openness.

A new skills development program, ADM Academy, was also launched at the end of the year to support onboarding and integration initiatives as well as internal mobility for high potential employees. The program consists of four main pillars:

- Welcoming new employees and managers;
- Leadership development for high potential employees and managers;
- Customized training based on individual employee development plans;
- Mandatory regulatory training.

Finally, a pilot project to facilitate the integration of new managers in hybrid mode was launched with the "Tout à gagner" program. This program will be customized in 2023 and will be part of a new leadership development offering for all managers.

**Labour relations**

The year 2022 was marked by the renewal of two collective agreements which will allow ADM to ensure labour peace for years to come.

The collective agreement for the Administrative, Professional and Administrative Support Unit represented by the Public Service Alliance of Canada (PSAC), which had expired on December 19, 2021, was renewed for a four-year period and will expire on December 19, 2025. This agreement is not only competitive but also provides professional employees with greater scope for career advancement and development. This agreement emphasizes opportunities for advancement, which is not traditional in a collective agreement.

Following a reasoned bargaining process based on transparent discussions of the needs and interests of both parties, the collective agreement for Aéroports de Montréal employees, which expired on March 31, 2022, was renewed in six months for a six-year term ending on March 31, 2028. This is the first full experience of a collective agreement renewal for ADM and this unit, where open and honest exchanges led to an unexpected success.

Negotiations with the firefighters unit, which began in the autumn of 2021, continued into 2022 without a new agreement being reached at that time. The process will continue in 2023.



Photo: Frédérique Ménard-Aubin





### Global health

The pandemic years reminded everyone of the importance of taking care of their own physical and mental health, as well as that of their loved ones. In an effort to provide ADM employees with more tools and resources, the organization undertook a comprehensive review of its health services in 2022.

#### Dialogue

The Dialogue integrated health platform was made available to all in spring 2022. An industry leader, Dialogue combines the largest virtual care team in Canada with proprietary technology to deliver unparalleled service to its users. With this investment, ADM wanted to demonstrate that the health and well-being of its employees and their families is at the heart of its strategies.

Services include:

- Virtual health care (telemedicine);
- Mental health program;
- An Employee and Family Assistance Program (EFAP).

### Programme Équilibre

At the beginning of September, ADM relaunched its *Programme Équilibre* (wellness program), which aims to contribute to the overall health of its teams by providing tools, tips and events to improve their well-being, be it mental, physical, financial, social or workplace safety.

In addition to conferences on nutrition and sports psychology with renowned experts, the Wellness program also ran a campaign in 2022 to highlight the importance of men's health by partnering with the Movember movement. Under the theme "However you MO will save a BRO," the organization encouraged employees to grow moustaches and raise funds for the cause throughout the month of November. The perfect moustache guide was displayed on bathroom mirrors at ADM's headquarters and in the workspaces of YUL and YMX ADM employees, and information about prostate cancer was shared throughout the month.

Through dedication and exceptional participation, ADM and its participating employees raised more than \$23,000 for Movember Canada. In 2023, the program will promote a different cause each month through awareness activities.



## Sustainability Report

### *Work-life-family balance*

The importance of managing work-life-family balance issues for employees continued to be a focus for ADM as an employer. The hybrid work arrangement provided a degree of flexibility that was much appreciated by eligible employees, while priority places for children of airport employees at YUL's Aéropuce daycare and YMX's CPE Le Petit Équipage daycare made it easier for young parents to return to work.

### *Occupational health and safety*

Occupational health and safety is a core concern at ADM. Ensuring a safe working environment, not only for its employees but also for those using its sites, was a guiding principle throughout the year.

With the return to normal operations – albeit in a different environment with the introduction of telecommuting, the redefinition of office space and the arrival of new players in the airport community – ADM felt it necessary to review all of its risk prevention programs. As a result, all local health and safety committees undertook a complex exercise to review all the risks present in their workplaces and identify the mitigation measures that needed to be implemented or improved in order to avoid any unfortunate incidents.

The arrival of many new employees undoubtedly helped to make health and safety training a priority. Various health and safety courses, accessible through a single portal, were offered to ADM employees on an ongoing basis by government-approved trainers. Needs assessments in terms of knowledge to be acquired were carried out on a continuous basis to ensure the safety of all. Feedback processes were also put in place to assess the quality of training received.



Photo Keivan Aghayari





## Sustainability Report

### Employee experience

ADM places employee experience and engagement at the centre of its concerns, knowing that it is a valuable way to attract and retain the best talent, achieve its business goals and continue to provide outstanding service to its customers. The context of the resource war in the labour market confirms the importance of the many initiatives deployed in 2022 to improve the quality of the employee experience.

These include:

- The creation of a business partnership and employee experience function within the Human Capital Vice-Presidency;
- Leveraging the expertise of Sept24, which took the pulse of employees through a survey and focus groups on certain key aspects: recognition, inclusion, diversity, and welcome and integration;
- The resumption of investment in resource skills development, including the launch of a three-month leadership training course and the use of the SkillSoft training catalogue;
- The updating of ADM's corporate recognition and years of service program. This will be presented internally and launched in March 2023. A peer recognition initiative was already implemented at the end of 2022, resulting in over 200 messages of appreciation and recognition sent to 170 employees.

Despite the high engagement index and participation rate in the general employee experience survey launched at the end of 2021, ADM has not slowed down its efforts and the Human Capital team has continued to support managers who want to take their thinking further.

The strengthening of the Flexi-Work program, as well as the initiatives described in the Talent Acquisition and Global Health sections, are clearly contributing to efforts to improve the employee experience.

In 2022, ADM also evaluated its positioning in terms of all its working conditions to ensure that it remains aligned with the new reality of the Québec market. Updates were made, resulting in the introduction of fair and flexible programs for all based on the reality of very diverse jobs and relying on the financial health of each individual to counter the effects of inflation. This has allowed ADM to differentiate itself as an attractive and economically responsible employer.



**170**  
employees  
recognized



**200+**  
recognition  
messages sent



**40+**  
people have  
explicitly praised  
the initiative

### Flexi-Work

The Flexi-Work program was designed to reflect ADM's culture, help create a unique employee experience, and support the achievement of sustainability strategies.

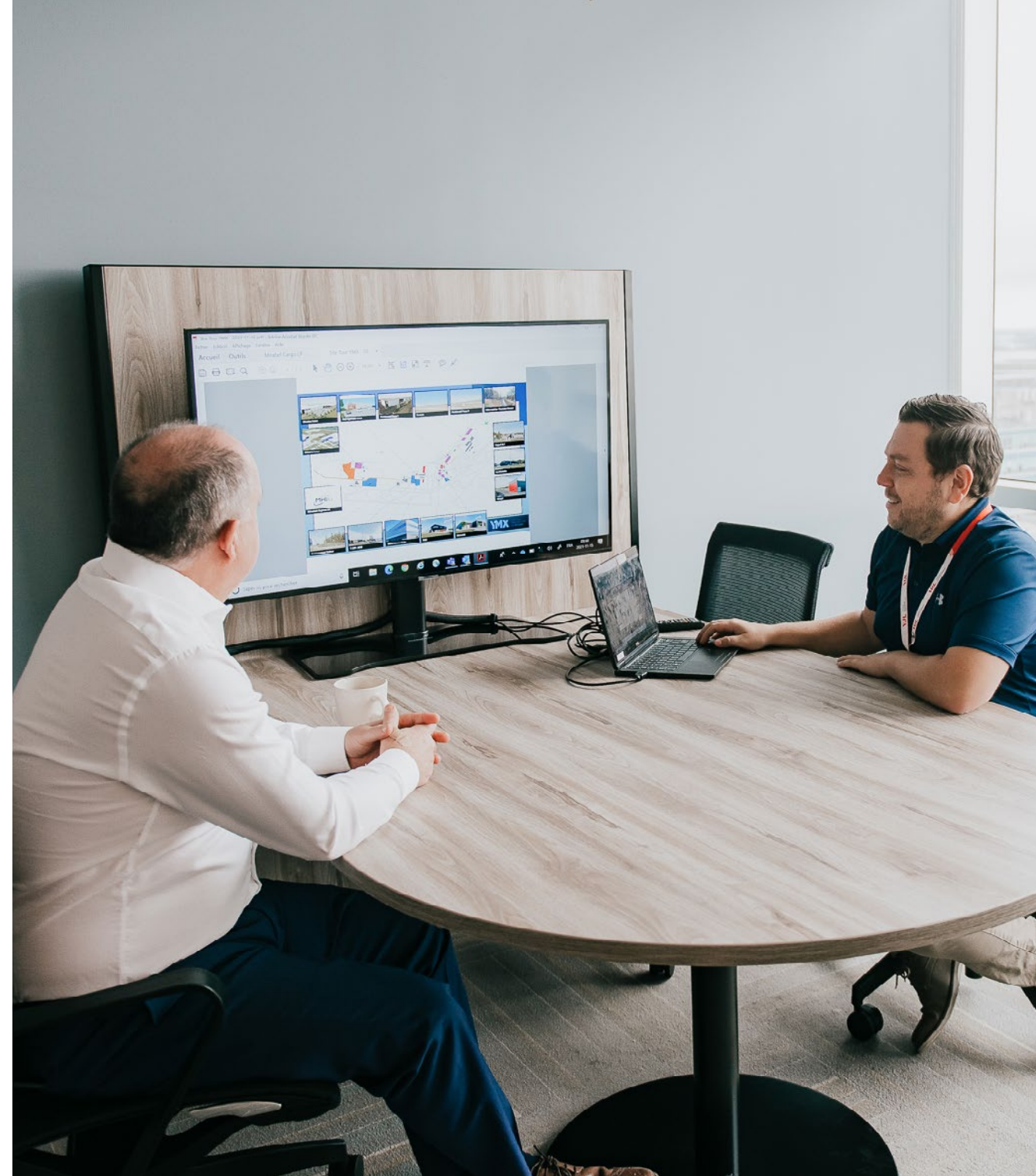
Despite the temporary suspension of the program due to the increase in the number of COVID-19 cases and to respect Québec government recommendations, employees quickly adopted the new hybrid work organization mode when the health situation improved in early March 2022 and the green light was given to return to the office. As a result, ADM's non-operational employees were able to gradually return to their offices in accordance with clearly defined guidelines set by management and the Flexi-Work policy.

With this new work organization formula, ADM was able to adapt to the times and promote the productivity of its resources by offering them the best of both worlds: greater freedom to plan their daily tasks and workspaces reorganized to encourage collaborative work, as well as providing them with technological tools better suited to this reality.

The program was continuously adapted over the months on the basis of feedback from various surveys and focus groups. The introduction of a weekly office day for all natural teams and the simplification of the workspace reservation process are examples of the improvements that were made.

In addition, numerous initiatives were launched to promote the engagement, safety and mobilization of employees affected by Flexi. These include:

- The introduction of Flexi-breaks, a concept designed to improve and energize working life while providing a framework for social and informal interaction among colleagues from different ADM departments. Smoothfruits Tuesdays, Tai Chi Wednesdays and Baristocrats Thursdays were introduced and enthusiastically received with great success;
- Organizing 4 à 6 Flexi events, bringing together employees from the Flexi community and allowing them to socialize in a relaxed environment after the work day;





# Sustainability Report

- The development of numerous training activities on the challenges of managing hybrid work. This program (conferences, workshops, training) included two distinct tracks, one aimed at the entire Flexi community and the other more specifically at managers who are called upon to supervise their teams in a mode of work organization that requires entirely new skills;
- The revision of the ADM office evacuation plan, adapted to the hybrid working mode. This new plan defines each employee's role in an evacuation and outlines the obligations associated with the role of floor agent;
- The implementation of an internet reimbursement policy for employees covered by the Flexi policy;
- A recommendation was also made to reorganize workspaces to encourage collaboration and stimulate office life.

## Internal Communications

As communication with employees is at the heart of any successful organization, ADM once again paid particular attention to how, and how often, it shares information with its teams.

The hiring of a qualified internal communications resource within the Public Affairs Vice-Presidency certainly helped to improve communication tactics with employees in order to maintain the sense of belonging and closeness that has

characterized ADM's culture for 30 years. Internal audits were carried out with various groups and professions to learn more about their specific needs and expectations and to develop more targeted internal communication strategies. In addition, more sustained support was provided to managers in the implementation of various internal information campaigns, particularly in the areas of cybersecurity, occupational health and safety and airport security.

The intranet continued to be the main reference tool for the organization's news, personnel movements and upcoming social events. Easily accessible on both computers and mobile devices, this platform was enriched with stimulating content on a daily basis. Twice a month, an email was sent to all teams with highlights and news of interest shared on the intranet.

In 2022, beyond its intranet, ADM also:

- Held three virtual meetings to enable employees to keep abreast of developments in the organization's business environment and to follow the strategies proposed as part of the re-launch of its activities.
- Launched the new "Les rendez-vous du PDG" exchange forum, where new employees are invited to share a meal with ADM's President and CEO. A unique opportunity for them to learn more about the organization and network.
- Started a new tradition with the "Spring Reunion" event, to which all employees are invited. Held in a large outdoor tent near the YUL garage, the event is a way to highlight the exceptional work of the troops and give them the energy they need to start the summer season.
- Convened the Board of Directors for a working session to update the organization's strategic planning for the next five years.
- The 30<sup>th</sup> ADM anniversary edition of the Reach for the Top activity was a real thrill. More than 50 teams composed of four colleagues from different departments registered to take part in this quiz, which tested their knowledge of ADM's history and achievements.
- Activated a network of broadcast screens in workspaces, break rooms and lunch rooms frequented by operational employees who have limited access to a computer to ensure they are provided with the essential information to foster ownership and fulfillment at work.



## Main indicators related to human relations

Indicators	2022	2021
Regular employees <sup>1</sup>	534	482
Training (hours)	4,901	6,396
Filled positions	189	144
Retirements	8	13
Turnover rate <sup>2</sup>	18.02	15.99
Absenteeism rate <sup>3</sup>	5.01	5.16
Injury frequency <sup>4</sup>	2.48	1.68
Severe injury rate <sup>5</sup>	30.72	42.50
Incidence rate <sup>6</sup>	17.5	12.3

- 1 Regular employees: number of full-time employees (seasonal, temporary and part-time employees are excluded).
- 2 Turnover rate: percentage of the workforce that leaves the organization in a year.
- 3 Absenteeism rate: total hours of absence (sickness and OHS-related absences) over total hours worked multiplied by 100.
- 4 Injury frequency: number of accidents (CNESST claims) per 200,000 hours worked.
- 5 Severe injury rate: number of days lost per 200,000 hours worked.
- 6 Incidence rate: number of employees absent annually per 1,000 insured.





## Airport Operations Security

### Airside Operations Safety Management System (SMS)

The Airside Safety Management System (SMS) provides a solid defence to identify civil aviation safety risks. ADM has great confidence in the robustness of the system in place. This is supported by a quality assurance program that includes the conduct of internal and external audits based on a three-year regulatory cycle. The SMS is also subject to a report to the Board of Directors twice a year. SMS processes are regularly reviewed to ensure compliance with Transport Canada regulatory requirements.

As a result of the massive post-pandemic hiring by airport community partners in 2022 - necessary to ensure the resumption of operations - there was a higher proportion of less experienced staff in airside operational positions. A number of measures were then put in place to reduce security risks. These measures include monitoring activities and the establishment of a recovery committee bringing together all community stakeholders. Based on the monitoring of these risks, measures will continue to be identified and implemented in 2023.

### Wildlife Management

To mitigate the risks associated with wildlife activities at and around its facilities, ADM engages the services of Falcon Environmental Inc. (FAUCON), a unique multidisciplinary wildlife management team in Canada with more than 25 years of experience. FAUCON monitors more than 150,000 birds and mammals each year at ADM's two sites.

In 2022, wildlife management efforts were maintained to ensure a safe level of avian risk.





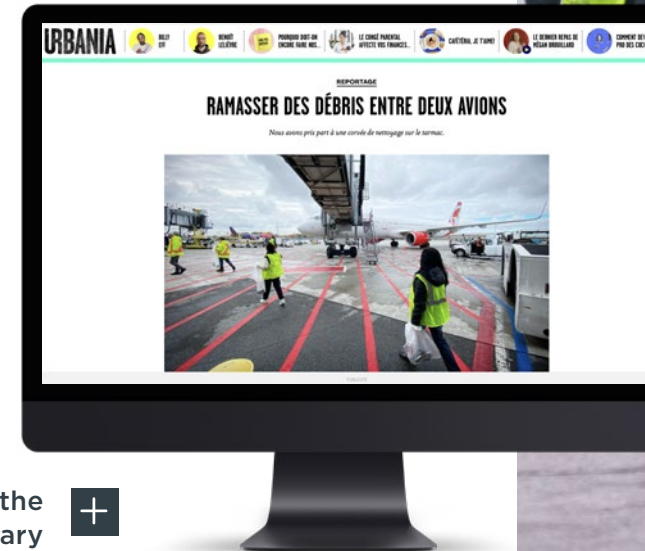
### National Airport Safety Week


This year, ADM became more involved in National Airport Safety Week, held in the fall, to raise awareness among its employees and the airport community about the importance of maintaining aviation safety. A comprehensive five-day program of initiatives was organized to mark the occasion. These included:

- A mobile team at various locations throughout YUL to answer questions from employees and the community and invite them to complete a short survey.
- Workshops on a range of topics, including how to report hazards and incidents and how to share experiences to improve processes.
- The holding of an Airports Council International (ACI) conference on the evolution of airport jobs.
- The design of various visuals to be displayed on digital screens to raise awareness within the airport community.
- The distribution of stickers to be affixed to all vehicles in the ADM fleet to remind them of safety instructions.

To conclude this week of activities, ADM also wanted to address the issue of Foreign Object Debris (commonly known as FOD). This is, for example, the paper, plastic and tools that can be found on the runway or apron and is one of the biggest threats to aviation safety.

ADM invited all its employees to participate in two FOD recovery and removal walks at the YUL and YMX sites. Both events were a great success with around 100 employees taking part at YUL and around 40 employees and partners at YMX. They all contributed with smiles to the cleanliness and safety efforts during this activity, which was even [featured](#) in *Urbania* magazine.



Go to the  
documentary 





## Cybersecurity and Data Protection

The level of cybersecurity risk has only increased with each passing year. The changing threat landscape in an increasingly complex ecosystem has prompted ADM to re-evaluate its cybersecurity risk mitigation strategy, requiring specific safeguards and enhanced oversight. While ADM already had these safeguards in place, it continued to adjust its posture to strengthen its information and cybersecurity systems.

During the year, ADM's Technology and Innovation (TI) teams implemented several initiatives to enhance the protection of information assets and airport operations, including:

- Hiring an assistant director, Information Systems Security. This experienced and qualified individual has significantly strengthened the cybersecurity team's delivery capability and is responsible for coordinating the involvement of consultants and companies specializing in providing services to ADM. Further recruitment is underway to further strengthen the team.
- Updating cybersecurity risk management processes and tools. ADM now has a cybersecurity risk register and risk level dashboards. These are regularly shared with ADM's senior management.
- Assessment of ADM's cybersecurity maturity level through an audit conducted by the Canadian Centre for Cyber Security. This assessment showed that ADM has a higher level of maturity than some of its peers in the transportation sector in Canada and the United States, while identifying some areas for improvement that have already been incorporated.
- Mapping ADM's information assets to increase visibility of data processed and improve data security.
  - A compliance initiative, as required by the new Law 25, was also launched in 2022. This modernized the legislation on the protection of personal information. ADM is thus aligned with the first requirements that became applicable in 2022 and is already working on compliance with the requirements that will be applicable in 2023.
- Deployment of a new generation of monitoring agents and endpoint protection on ADM workstations and servers.
- Implementation of new cybersecurity awareness and phishing simulation tools to enhance the employee cybersecurity awareness program launched in 2021.
- Strengthening the process of integrating security into all ADM projects to ensure that information systems are secure from the outset. This process proved very useful for major ADM projects in 2022, such as the replacement of passenger check-in systems.

ADM's information systems have been monitored for many years by a Security Operation Centre (SOC) outsourced to a specialist company. This monitoring is carried out 24 hours a day, every day of the year. Log collection, event correlation and incident detection mechanisms are in place to provide advanced detection capabilities in the event of an attack.

## Soundscape Management

As the airport authority, ADM is responsible for developing a soundscape management plan, establishing the Soundscape Advisory Committee, and handling noise complaints. Soundscape management remains a priority for ADM, which must ensure a balance between YUL's role as a player in the development of Greater Montréal and the maintenance of harmonious cohabitation with neighbouring communities. Sustained efforts are being made to foster this balance.

Soundscape management is a shared responsibility and ADM works with its partners Transport Canada, NAV CANADA and the airlines to reduce the impacts of international airport operations on nearby communities.

ADM enforces existing flight schedule restrictions at YUL and analyzes all requests for exemptions. In addition, ADM meets regularly with air carriers that have flown outside of operating hours to require action plans to remedy these situations.

The table below shows the number of exemptions granted by ADM to carriers, including delays caused by reasons beyond the airline's control, such as weather, mechanical checks and operational delays, the number of exemption requests denied, and the number of files submitted to Transport Canada for investigation and follow-up.





# Sustainability Report

Transport Canada is the regulatory body responsible for enforcing noise control and abatement regulations and has the authority to impose penalties on violators. A list of offending companies, a summary of the violations, and the penalties imposed can be found on the [Transport Canada](#) website.

## Exemptions

Year	Exemptions granted	Exemptions denied	Files transmitted to Transport Canada
2019	1,103	103	54
2020	375	21	7
2021	146	27	24
2022	1,339	91	89

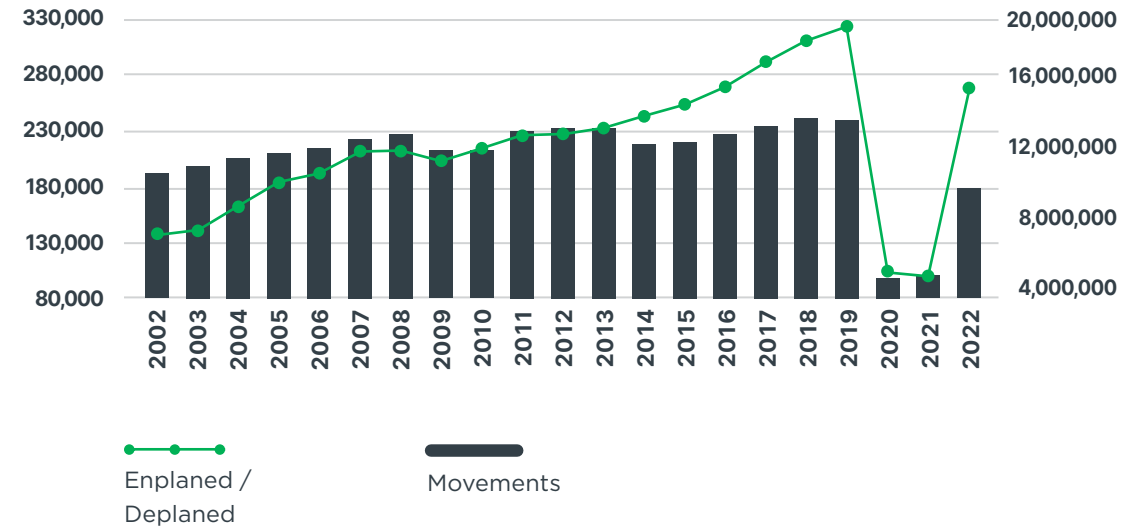
Note: 2019 is the baseline year

The rapid resumption of air carrier activities resulted in operational difficulties which, in addition to adverse weather conditions, caused numerous delays leading to the granting of exemptions, in particular for the June-July and December periods.

## Aircraft Movements

Prior to the sharp drop in March 2020, the number of flight movements had remained relatively stable despite the significant increase in passenger numbers in recent years. This is due to the use of larger aircraft with more capacity and higher load factors.

With the recovery in 2022, the number of movements remained below the number of movements recorded in 2019, although at certain times of the year passenger numbers returned to levels almost similar to those recorded in 2019.



# Sustainability Report

## Noise complaints

Compared to 2019, which is the baseline year, the number of complaints associated with a movement at YUL increased by 22% despite the fact that the number of movements remained lower. However, the number of complainants decreased by 63%.

	2019	2021	2022
<b>Number of complaints (YUL)</b>	48,273	29,811	<b>58,790</b>
<b>Number of complainants (YUL)</b>	934	195	<b>348</b>
<b>Number of movements (YUL)</b>	236,908	97,766	<b>178,727</b>

Monthly indicators on complaints related to flight operations as well as an annual report on the soundscape are published in the [Indicators](#) section of the ADM website.



Photo: Caroline Perron photographs





### Measurement of noise levels

ADM has eight noise measuring stations, one of which is mobile. ADM publishes the Leq noise levels recorded at the various measuring stations around the airport in the annual soundscape report, and WebTrak makes it possible to consult the LAMax noise levels of the stations.

### Soundscape Action Plan

ADM has developed an action plan to optimize soundscape management and promote the social acceptability of its activities.

The action plan was subject to an online consultation and the results of the consultation are available on the [ADM website](#).

The priorities of the action plan were reviewed in 2021, taking into account the results of the 2020 consultation and the constraints on human and financial resources related to the pandemic.

The following actions have been identified as priorities. A complete list of actions is available on the [ADM website](#).

- Complaints management:  
ADM continues its efforts to improve the tools that allow citizens to be heard.

[WebTrak](#), the soundscape reference tool, as well as the web and mobile version of the complaint form, facilitate rapid feedback. The automated system records complaints and links them to air movements.

[A form](#) (Viewpoint) facilitating the submission of complaints and comments is also available on the ADM website or directly via mobile phone. Complaints are automatically recorded in the soundscape management system and linked to the corresponding air movement. With a cell phone, it is possible to submit a complaint by clicking on the “Submit Now” button.

In 2019, ADM released its soundscape [Complaint Management Commitment](#), which outlines the operating procedures in place, complaint handling, analysis, and follow-up that may result.

- Nighttime operations:  
Reducing off-hours operations is a priority for ADM and much attention is being paid to reducing operations during restricted hours. This work is ongoing.
- Quieter fleet:  
ADM continues to work on the development of a Fly Quiet program, which involves reviewing the assessment criteria used by other airports to determine which can be applied to YUL.

On the other hand, airlines are renewing their fleets with new-generation aircraft that are more noise efficient. In 2022, 18% of movements were operated with new-generation aircraft. The noise footprint of these aircraft (Airbus A220, Airbus A321neo, Boeing 737 Max and, from January 2023, Embraer E195-E2) shows a reduction of between 40% and 76% compared to the previous generation of narrow-body aircraft.

- Report on the work of the Soundscape Advisory Committee:  
A summary of the Soundscape Advisory Committee meetings has been [published online](#) since 2014. ADM remains open to proposals from committee members as they continue to explore other ways to report on their work.

# Sustainability Report

## Information for Citizens

Special attention is paid to the potential impacts that may result from the rehabilitation work on the runways.

To better inform citizens about the activities that can influence the soundscape around the airport, ADM provides them with several tools:

- A newsletter sent by email and published on the ADM website;
- [WebTrak](#), which displays aircraft movements, noise measurements and flight paths and allows citizens to easily submit a noise complaint. This interactive data system also displays information on runway work, short-term runway closures and weather conditions;
- The publication of [monthly interactive indicators](#) on operational complaints and air movements at YUL as well as an annual soundscape report;
- A phone line (514-633-3351) and a dedicated email ([info@admtl.com](mailto:info@admtl.com));
- A section of the website that includes [frequently asked questions](#) about the soundscape.

### *Information meetings – Work on the north runway*

In the spring of 2022, as part of the work to rehabilitate the north runway, ADM, in partnership with NAV CANADA, held four virtual meetings to inform the community about the work and the alternative departure paths that were put in place to ensure smooth operations during peak periods. A [section](#) of the ADM website has been set up to provide recordings of the meetings, as well as presentations and an FAQ. Updates on the work will also be posted.



## Information for Citizens

Special attention is paid to the potential impacts that may result from the rehabilitation work on the runways.





## Community and Social Involvement

YUL and YMX are unique places. They are gateways to the world of a vibrant metropolis. They are communities serving their communities.

To multiply the opportunities to connect with the community, ADM continued its commitment to major events and active organizations that generate significant benefits for Montréal and make the city shine, both here and elsewhere. Through its donations and sponsorship program, the Corporation also provided financial support to important causes while engaging travellers and employees in the community.

Accordingly, in 2022 ADM:

- Changed the “MONTREAL” sign on YUL’s facade on numerous occasions. At the beginning of the Russian-Ukrainian conflict, it proudly displayed the sunflower, a national emblem that has been used as a symbol of peace throughout Ukraine’s history. The colours of Autism Awareness Month, Remembrance Day, National Truth and Reconciliation Day, Breast Cancer Awareness Month and Prostate Cancer Awareness Month were also given a customized display in front of the terminal.
- Hosted 200 families for the eighth annual Premium Kids event. This unique experience allows children with Autism Spectrum Disorders (ASD) to learn about the airport process in a way that reduces their anxiety about air travel.
- Launched a new edition of its *Chez ADM, on Centraide* campaign, through which it contributes to the fight against poverty, exclusion and inequality. Thanks to the generosity of employees, \$125,000 was donated to Centraide of Greater Montréal and \$6,215 to Centraide Laurentides. As a result of this campaign, ADM’s commitment was recognized when it was one of three companies with 999 or fewer employees to receive the Solidaires – Corporate Commitment award at the closing event of the Centraide 2022 campaign.





## Sustainability Report

- Opened its YMX site to cyclists for the 48 H BIKE event. Hundreds of participants, including 36 ADMirables, rode day and night on the Aerocity tarmac in support of Make-a-Wish®. An event that focused on mutual support, respect and sporting determination.
- Supported the mission of Operation Sub-Zero, a campaign run by the Hochelaga Community Centre to provide warm clothing to children in need. For the fourth consecutive year, ADM matched all employee donations for a total of \$7,420.
- Continued its commitment to the Canadian Organ and Tissue Donors Association (CODA). In 2022, more than 25 volunteer transports were made by members of Airport Patrol to various hospitals in Montréal. An ADM employee was awarded the title of “Good Samaritan” by CODA for his dedication and outstanding contribution to the cause.
- Encouraged members of the Airport Patrol team to join their colleagues from the Canada Border Services Agency and SPVM in the coldest challenge of the year: the Polar Bear Challenge. Four brave employees jumped into a pool of freezing water to raise funds for Special Olympics Québec.

# \$250,000

donated by ADM and its employees



**17** charities supported





# Sustainability Report

The organization has also maintained its active involvement in its community and industry by ensuring representation on the boards of directors of:

- Aéro Montréal;
- The Union of French Airports;
- Montréal International;
- The Conseil des entreprises en technologies environnementales du Québec;
- The West Island of Montreal Chamber of Commerce;
- The American Chamber of Commerce in Canada (AmCham Québec).

ADM representatives sit on the transportation committees of the Chamber of Commerce of Metropolitan Montréal and the Fédération des chambres de commerce du Québec, and are members of numerous associations, including the Airports Council International - North America (ACI-NA), the Conseil du patronat, the Alliance touristique du Québec, the Conseil des infrastructures and the Consortium for Research and Innovation in Aerospace in Québec.

In 2022, it participated in the activities of Earth Day and Trajectoire Québec and collaborated with the YUL 375 Ideas Fund of the Junior Chamber of Commerce of Montréal, thanks to which young entrepreneurs received a loan to carry out an innovative project.

Summer and winter alike, the Sources Ecological Park on the YUL site allows citizens and enthusiasts to discover the wonders of the flora and fauna found on the 25 hectares protected by ADM.

ADM also hosted the Groupe de recommandations et d'actions pour un meilleur environnement (GRAME) for the launch of the Allô Ruisseaux project. The aim of this project is to improve the health of watercourses on the West Island of Montréal, mainly through clean-up operations and the planting of native vegetation along the banks of streams and in their watersheds by teams of volunteers. ADM is proud to be part of this initiative.

Finally, ADM encourages its managers and employees to attend major conferences to share their expertise and knowledge. During the year, a group of ADM managers acted as ambassadors at the Passenger Terminal Expo conference, an event that brings together many of the key players in the airport industry from around the world.

## Responsible Procurement

For many years, ADM has been committed to using its purchasing power as a lever for change, and has progressively improved its business processes to move towards a more responsible sourcing policy.

This approach, combined with rigorous training of its teams, has enabled the organization to increase its investment in local and social economy enterprises and build lasting business relationships with them. In 2022, ADM committed 82.79% of its spending on goods and services to organizations in the Greater Montréal area. In Québec, this percentage climbs to 86.01%.

During the year, ADM also participated in the *L'Économie sociale, j'achète!* program overseen by the Conseil

d'économie sociale de l'île de Montréal, with which it has been involved since its launch in 2017.

ADM has achieved an average score of "4 - Maturity" in the Espace de concertation en approvisionnement responsable (ECPAR) Sustainable Procurement Barometer 2020, which is updated every four years. The barometer reports on organizations' practices according to five levels of maturity (little involved, committed, progressing, mature, exemplary) for each of the five components of sustainable procurement: vision, policy and governance, stakeholder engagement, operationalization and measurement. ADM is among the top 10% of the 142 respondents, made up of companies, agencies or departments, municipalities and various non-profit organizations in Québec.



# GRI CONTENT INDEX

(GLOBAL REPORTING INITIATIVE)

ADM has reported the information cited in this GRI Content Index for the period of January 1 to December 31, 2022, with reference to the GRI Standards (GRI 1 used: Foundation 2021).

<b>General Disclosures</b> +	<b>Material Topics</b> +	<b>Climate Change Adaptation and Resilience</b> +	<b>Stream Quality</b> +
<b>Greenhouse Gas Emissions</b> +	<b>Residual Materials Management</b> +	<b>Land Access, Intermodality and Connectivity</b> +	<b>Workers Well-being and Quality of Life</b> +
<b>Resilience of Airport Operations</b> +	<b>People's Health, Safety and Security</b> +	<b>Sustainable Airport Infrastructure</b> +	<b>Cybersecurity and Data Protection</b> +
<b>Customer Experience</b> +	<b>Soundscape Management</b> +	<b>Universal Accessibility</b> +	





Standard	Indicator	Reference or answer
<b>General Disclosures</b>		
<b>General Disclosures</b>	2-1 AO	Organizational details  Aéroports de Montréal, a Corporation without share capital (ADM) <a href="#">Corporate Profile</a> <a href="#">Head office, YUL and YMX addresses</a> Aéroports de Montréal's operations are located in Canada <a href="#">Number of workers on sites</a> (see direct jobs, according to 2017 data) Area of the YUL airport territory: 13.4 km <sup>2</sup>   Area of YMX airport territory: 21.8 km <sup>2</sup>
	2-2	Entities included in the organization's sustainability reporting  The sustainability report covers the activities of Aéroports de Montréal and its <a href="#">subsidiary</a> .
	2-3	Reporting period, frequency and contact point  Period: January 1 to December 31, 2022   Frequency: Annual Distribution: Corresponding to the financial information report   Publication: May 2023 <a href="#">Contact Information</a>
	2-4	Restatements of information  Indicator 2-7: The number of employees statistics for 2018 and prior years have been adjusted. They now include executives (senior managers). Indicator AO4: Calculated data (%) of glycol captured for recycling at YUL from 2018 to 2021 and glycol released into the environment without treatment at YUL from 2019 to 2021 have been corrected to ensure consistency of past results with the denominator used to calculate 2022 results. Indicator 403-9: The number of recordable (lost time) work injuries data from 2019 to 2021 has been corrected to incorporate information that was received after previous reports were released. Indicator 416-AO9: The number of confirmed wildlife strikes per 10,000 aircraft movements from 2021 for YMX has been revised downward due to the correction of a calculation error. Indicator 416-AO9: The number of confirmed wildlife impacts per 10,000 aircraft movements for YMX in 2021 has been revised downward due to the correction of a calculation error. Indicator 416-1: The 2021 airside accident ratios for YUL and YMX have been revised upward following the application of new methods of compiling information. Consistent with best practices, incident data is included in the calculation. Indicator 416-2: The number of 2021 runway incursions for YMX has been revised downward. Consistent with best practices, taxiway incursions have been removed from the calculation.
	2-5	External insurance  <a href="#">Independent Auditors' Report</a>
	2-6	Activities, value chain and other business relationships  <b>Activities</b> ADM's main sectors of activity are airport operation and maintenance, as well as commercial buildings (economic activity codes 4521 and 4022 in the Québec business register). <a href="#">Corporate Profile</a> <a href="#">Air services and movements</a> <b>Markets served</b> <a href="#">Direct destinations served by YUL</a>



Standard	Indicator	Reference or answer
<p><b>General Disclosures</b></p>		<p><b>Business relationships</b></p> <p><a href="#">Passenger carriers operating at YUL</a>  <a href="#">Airline Consultative Committee (ACC)</a></p> <p>The ACC is the official body representing the airlines in the matters mentioned. The ACC meets at least twice a year. Membership is open to all air carriers that are signatories to the ADM Licence Agreement. Each member airline must appoint a single voting representative to exercise its voting rights. Airline representatives must be appropriately qualified for the task, i.e., should possess sufficient seniority to ensure prompt and effective access to their senior management on all matters requiring physical or financial commitment by that carrier. The airline’s representative organization, i.e., ATAC, ATA and IATA, may attend AAC meetings under the sponsorship of an AAC member. The ACC Chair shall be appointed by the member air carrier with the largest volume of enplaned passengers for the previous calendar year at ADM managed airports.</p> <p><a href="#">Airport Operators Committee (AOC)</a>  <a href="#">Law enforcement agencies</a>  <a href="#">NAV CANADA</a>  <a href="#">Stores, restaurants and services</a> and <a href="#">evolution of the commercial offer at YUL</a>  <a href="#">Strategic Review 2023-2028 - Commercial Revenues</a>  <a href="#">Passenger Services</a>  <a href="#">Real estate development</a></p> <p>YMX: <a href="#">All-cargo. Aeronautics. Light manufacturing.</a></p> <p><b>Supply chain</b></p> <p><a href="#">Procurement Process and Report on Non-Publicly-Tendered Contracts</a></p> <p>The main kinds of ADM suppliers are (by value of payments made, from January 1, 2018 to December 31, 2022): Construction contractor; support and quality control services for construction sites; operating services; software or computer equipment; security services; maintenance or cleaning services; heavy and light vehicles; electricity or natural gas supplier; various consulting services (legal, engineering, strategic, audits). During this period, 87% of supplier expenditures were made with suppliers located in the province of Québec, 7% elsewhere in Canada.</p> <p><a href="#">Audit and Risk Management Committee</a></p>
	<p>AO1</p> <p>Market Presence: Number of passengers (PAX)</p>	<p><a href="#">Passenger traffic</a>  <a href="#">Monthly passenger statistics</a></p> <p>The passenger statistics presented include both revenue and non-revenue passengers.</p> <p>The collection of these statistics is done using data available from the Electronic Collection of Air Transportation Statistics (ECATS) initiative led by Transport Canada, with the permission of participating carriers, or processed directly from data submitted to ADM by carriers on a monthly basis. Information on transit passengers (who, after a short stopover, continue their journey on the same aircraft, on a flight with the same flight number as the one on which they arrived) is not compiled by ADM.</p>





Standard	Indicator	Reference or answer
General Disclosures	AO2 Market Presence: Number of aircraft movements	<p><a href="#">Monthly statistics of aircraft movements and by site</a></p> <p>Aircraft movements include all types of movements (landings and takeoffs) except movements through the control zone. The data is retrieved from information captured by NAV CANADA control towers located at YUL and YMX. Information compiled by category (commercial passenger, commercial all-cargo, general aviation and state aviation) is not reliable enough to be included in this report.</p> <p><a href="#">Day and Night Arrival and Departure Statistics</a> (YUL, ref: question 16) - Typical summer and winter days, base year 2022</p>
	AO3 Market Presence: Amount of cargo tonnage	<p><a href="#">Air cargo</a></p> <p>Select the parameters at the bottom of the table (YUL or YMX site, year, etc.) to obtain <a href="#">annual cargo tonnage statistics by site</a>.</p> <p>Air carriers operating at YUL or YMX are not required to provide ADM with information regarding the tonnage of cargo carried on board passenger or all-cargo aircraft.</p> <p>Some of the data on the tonnage of cargo loaded or unloaded that was carried in the holds of passenger flights is derived from available ECATS data (see indicator AO1). Other carriers submit the information on a voluntary basis.</p>
	2-7 Employees	<p>ADM has a total of 665 employees (in terms of headcount, as of December 31, 2022), including the Management Committee officers, excluding student interns. Excluding temporary and casual employees, the count is 534 employees. With few exceptions, they live in the Greater Montréal area or in one of the neighbouring regions.</p> <p><a href="#">Annual statistics on the number of employees by category</a></p> <p><a href="#">Main indicators related to human relations</a></p>
	2-8 Workers who are not employees	<p>ADM has 17 workers who are not employees (in terms of headcount, as of December 31, 2022). These are professionals or administrative personnel for whom the organization is experiencing difficulties in hiring due to the specialized expertise required, or who are called upon to meet increased needs for a limited period of time, detailed as follows:</p> <p>Three contracts are signed with a natural person for assistant support services, specialized engineer and operational data consulting. The legal person contracts covering the other 14 workers are concluded for assistant support services, project management and control, specialized engineer, document management and training.</p> <p>In 2022, a total of 34 pet owner/caregiver volunteers were involved in <a href="#">The Pet Squad</a>. This initiative, which had been on hiatus since the advent of the COVID-19 pandemic, has been reinstated since January 2022.</p>
	2-9 Governance structure and composition	<p><a href="#">Governance Report</a></p> <p><a href="#">Organization</a></p> <p>The composition of the Board of Directors has reached gender parity. There is visible diversity on the Board of Directors.</p>



Standard	Indicator	Reference or answer																					
General Disclosures	2-10 Nomination and selection of the highest governance body	<a href="#">Board of Directors</a> <a href="#">Governance and Transparency</a>  The process for appointing members of the Board of Directors does not provide for any specific mechanism to promote the representation of groups with a diversity background.																					
	2-11 Chair of the highest governance body	The Chair of the ADM Board of Directors is not an officer of the Management Committee.																					
	2-12 Role of the highest governance body in overseeing the management of impacts	Governance Report: <a href="#">See roles of various committees</a> <a href="#">Governance and Transparency</a>  The specific involvement of ADM’s Board of Directors in each of the ESG topics relevant to the organization is detailed within the disclosure elements specific to these topics (see reference table: <a href="#">indicator 3-2</a> ).  A new ADM policy, or an update to an existing policy, requires approval by the Board of Directors.																					
	2-13 Delegation of responsibility for managing impacts	<a href="#">Governance Report</a> <a href="#">Governance and Transparency</a> <a href="#">Responsibilities of the vice-presidencies</a>  <b>Delegation of responsibility for impact management</b> <table border="1"> <thead> <tr> <th>ESG priority topics</th> <th>Manager</th> </tr> </thead> <tbody> <tr> <td>Climate Change Adaptation and Resilience</td> <td>Physical hazards: Vice President Sustainable Development Transition risks: Vice President Finance and Administration</td> </tr> <tr> <td>Stream Quality</td> <td>Vice President Sustainable Development</td> </tr> <tr> <td>Greenhouse Gas Emissions</td> <td>Vice President Sustainable Development</td> </tr> <tr> <td>Residual Materials Management</td> <td>Vice President Sustainable Development</td> </tr> <tr> <td>Land Access, Intermodality and Connectivity</td> <td>President and CEO Vice President Services and Business Operations</td> </tr> <tr> <td>Workers Well-being and Quality of Life</td> <td>Employees: Vice President Human Capital Construction Site Workers: Vice President Airport Infrastructure</td> </tr> <tr> <td>Resilience of Airport Operations</td> <td>Vice President Airport Operations and Air Services Development Vice President Technology and Innovation</td> </tr> <tr> <td>People’s Health, Safety and Security</td> <td>President and CEO Vice President Airport Operations and Air Services Development Vice President Business Services and Operations</td> </tr> <tr> <td>Sustainable Airport Infrastructure</td> <td>Vice President Airport Infrastructure Vice President Business Services and Operations</td> </tr> <tr> <td>Cybersecurity and Data Protection</td> <td>Vice President Technology and Innovation</td> </tr> </tbody> </table>	ESG priority topics	Manager	Climate Change Adaptation and Resilience	Physical hazards: Vice President Sustainable Development Transition risks: Vice President Finance and Administration	Stream Quality	Vice President Sustainable Development	Greenhouse Gas Emissions	Vice President Sustainable Development	Residual Materials Management	Vice President Sustainable Development	Land Access, Intermodality and Connectivity	President and CEO Vice President Services and Business Operations	Workers Well-being and Quality of Life	Employees: Vice President Human Capital Construction Site Workers: Vice President Airport Infrastructure	Resilience of Airport Operations	Vice President Airport Operations and Air Services Development Vice President Technology and Innovation	People’s Health, Safety and Security	President and CEO Vice President Airport Operations and Air Services Development Vice President Business Services and Operations	Sustainable Airport Infrastructure	Vice President Airport Infrastructure Vice President Business Services and Operations	Cybersecurity and Data Protection
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# GRI Content Index

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		<table border="1"> <tr> <td data-bbox="964 233 1634 282">Customer Experience</td> <td data-bbox="1639 233 2306 282">Vice President Business Services and Operations</td> </tr> <tr> <td data-bbox="964 285 1634 342">Soundscape Management</td> <td data-bbox="1639 285 2306 342">Vice President Sustainable Development Vice President Airport Operations and Air Services Development</td> </tr> <tr> <td data-bbox="964 345 1634 394">Universal Accessibility</td> <td data-bbox="1639 345 2306 394">Vice President Airport Operations and Air Services Development</td> </tr> </table>	Customer Experience	Vice President Business Services and Operations	Soundscape Management	Vice President Sustainable Development Vice President Airport Operations and Air Services Development	Universal Accessibility	Vice President Airport Operations and Air Services Development
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<p><b>2-14</b> Role of the highest governance body in sustainability reporting</p>	<p>Prior to publication, this integrated report including this GRI index was reviewed by the Audit and Risk Management Committee.</p> <p>Governance Report: See <a href="#">roles of various committees</a></p> <p>ADM management has reported to the Board of Directors on the ESG priority topics in this report, based on the most recent materiality matrix that was presented in the <a href="#">Sustainability Plan 1.0</a>.</p>							
<p><b>General Disclosures</b></p>	<p><b>2-15</b> Conflicts of interest</p>	<p><b>Ethics</b> <b><a href="#">Code of Ethics for Employees</a></b></p> <p>Ethical guidelines for ADM directors, officers and employees are distributed annually. These guidelines include the requirement that individuals avoid conflicts of interest and situations that may create a conflict of interest. An individual may be deemed to have a conflict of interest if he or she:</p> <ul style="list-style-type: none"> <li>a) has, directly or indirectly, a significant financial interest in, or obligation to, the business of a prospective or existing customer of the Corporation;</li> <li>b) does business on behalf of the Corporation with a client that has a senior key executive who is a related person;</li> <li>c) accepts a gift valued at more than \$100;</li> <li>d) acts or accepts an appointment to a position:             <ul style="list-style-type: none"> <li>i) a director in an organization or association whose activities are or may be in conflict with the Corporation’s activities or may be an embarrassment to the Corporation, or</li> <li>ii) a competitor of the Corporation.</li> </ul> </li> </ul> <p>To this end, in addition to the disclosure and forbearance mechanisms provided for, a declaration form must be filled out each year by any person subject to the Code. All forms are then reviewed by the Corporate Secretary. The information is compiled in a report that is presented annually by the Corporate Secretary to the Board of Directors.</p>						



Standard	Indicator	Reference or answer
<p><b>General Disclosures</b></p>	<p>2-16 Communication of critical concerns</p>	<p><a href="#">Board of Directors</a> <a href="#">Confidential Information Line</a></p> <p>Whistleblower reports (ref: indicator 2-26) from internal and external stakeholders are reported to the Board of Directors. The Governance and Social Responsibility Committee, which ensures that a whistleblowing process is in place that protects the identity of the whistleblower, conducts an annual follow-up in this regard. In 2022, no whistleblower reports were made through the existing mechanisms.</p> <p>In terms of labour relations, there was one whistleblower in 2022 (harassment complaint), but none was submitted through a formal mechanism. The case was handled and resolved through internal mechanisms.</p> <p>When major occupational health and safety concerns are raised, mechanisms are in place (see <a href="#">Indicator 403-2</a>) to follow up and resolve them, with employer and employee representatives through the LOHSCs.</p>
	<p>2-17 Collective knowledge of the highest governance body</p>	<p><a href="#">Competencies of the Board members</a></p> <p>The skills of Board members are reviewed to ensure a diversity of expertise on the Board. In order to provide Board members with a clear understanding of the organization's activities, initial training is provided. This includes a tour of the YUL and YMX airport facilities and a one-on-one meeting with the CEO. Training is also offered to directors throughout their term of office.</p>
	<p>2-18 Evaluation of the performance of the highest governance body</p>	<p>Periodic process for evaluating the performance of the Board of Directors: see <a href="#">Governance and Social Responsibility Committee</a>.</p> <p>Transport Canada closely supervises ADM and monitors its activities on an ongoing basis. Each year, ADM is subject to a comprehensive audit (lease monitoring report) of its compliance with its lease obligations. Every five years, ADM's performance, including adherence to <a href="#">its mission</a>, is subject to a performance review by an independent accounting firm reporting directly to Transport Canada.</p> <ul style="list-style-type: none"> <li>• Transport Canada has indicated, as a result of its 2022 lease monitoring program, that ADM is managing the YUL and YMX sites in compliance with the ground lease. No non-compliance was identified.</li> <li>• The performance review report conducted by Richter indicated that during the review period of August 1, 2017 through July 31, 2022, the performance goals were generally fully met.</li> </ul>
	<p>2-19 Remuneration policies</p>	<p><a href="#">Directors' compensation for the year 2022</a> <a href="#">Executive compensation for the year 2022</a></p> <p>Executive compensation is composed of an annual salary, a short-term bonus and a long-term bonus (1 time/3 years) that is awarded based on performance (see indicator 2-24).</p> <ul style="list-style-type: none"> <li>• The short-term bonus is based on the achievement of corporate objectives established at the beginning of each year and also on a discretionary component that is allocated to the employee based on his or her performance (e.g., respect for values, individual objectives).</li> <li>• The long-term bonus is based on various corporate objectives over a three-year period.</li> </ul> <p>The Management Committee's executives benefit from a supplementary pension plan.</p> <p>There were no signing bonus or recruitment incentive payments made in 2022.</p> <p>There was a severance package paid to an executive in 2022.</p> <p>Other benefits: <a href="#">see indicator 2-21</a>.</p>





Standard	Indicator	Reference or answer
<p><b>General Disclosures</b></p>	<p>2-20 Process to determine remuneration</p>	<p><a href="#">Governance and Social Responsibility Committee</a></p> <p>The compensation of the officers of the Management Committee is benchmarked using data provided by a compensation consulting firm. This firm is independent of the organization and provides a recommendation. The exercise is conducted at least every three years, or sooner if the market or the context requires it. The last study was conducted in 2022.</p>
	<p>2-21 Annual total compensation ratio</p>	<p><b>Annual salaries</b></p> <p>Highest paid = \$536,000                      Median (excluding highest paid) = \$89,860                      Ratio = 5.9:1</p> <p><b>Salary Increases 2022</b></p> <p>Highest employee = 16.2%                      Median (excluding highest paid) = 5.0%                      Ratio = 3.24:1</p> <p>Information calculated on annual salaries only, for full-time, permanent employees and officers (as of December 31, 2022, excluding other benefits).</p> <p><b>Other benefits:</b></p> <p>In addition to the bonuses paid to the officers, a total of \$2,574,677.20 was paid in 2022 in bonuses to other ADM employees not subject to a collective agreement.</p> <p>A defined benefit pension plan was available to employees until 2007-2009 (the termination date of this plan varies according to the different union units or non-unionized employees). Since then, employees who joined ADM have access to a defined contribution pension plan.</p> <p>Employees not subject to a collective agreement as well as employees covered by the collective agreement for Aéroports de Montréal employees (blue-collar trades employees) have access to a health management account, which can be used to claim reimbursement for health expenses not covered by the basic group insurance plan. The annual amounts applicable vary depending on the employee's level. This benefit has been available since 2022 for officers and directors. It is available to other employees and blue-collar trades employees as of April 1, 2023.</p>
	<p>2-22 Statement on sustainable development strategy</p>	<p><a href="#">ADM Sustainability Plan</a>  <a href="#">Message from Management</a>  <a href="#">ADM's Commitment and Vision</a></p>
	<p>2-23 Policy commitments</p>	<p><a href="#">ADM's Sustainability Plan</a></p> <p>Signatory to the <a href="#">Aviation Industry Commitment to Action on Climate Change</a>                      Signatory to the <a href="#">Airports Sustainability Declaration</a>  <a href="#">Commitment to sustainable development</a>                      Commitment to Safety*  <a href="#">Commitment on the Management of Soundscape Complaints</a></p>



Standard	Indicator	Reference or answer
<p><b>General Disclosures</b></p>		<p><b>Current policies:*</b></p> <ul style="list-style-type: none"> <li>Procurement of goods and services</li> <li>Employment equity</li> <li>Integrated risk management</li> <li>Independence of the external auditor</li> <li>Awarding and approval of revenue contracts</li> <li>Investment policy</li> <li><a href="#">Environmental Policy</a></li> <li>Prevention of harassment and violence in the workplace</li> <li>Protection of personal information and electronic documents</li> <li><a href="#">Protection of the personal information of Aéroports de Montréal customers</a></li> <li>Information security</li> <li><a href="#">Safety Management System (SMS)</a></li> </ul> <p><i>* These policies and commitments can be found on ADM's intranet site, which is accessible to employees, managers and non-employees (ref: indicators 2-7 and 2-8).</i></p> <p>Given the relationship of a policy to the strategic direction, profitability or reputation of the Corporation, it requires the approval of the Board of Directors.</p> <p>ADM does not have a policy or commitment on the topic of human rights.</p> <p>ADM complies with the regulations in force, including:</p> <ul style="list-style-type: none"> <li>Canadian Environmental Protection Act</li> <li>Canadian Impact Assessment Act</li> <li>Aeronautics Act</li> <li>Canadian Aviation Regulations</li> <li>Canadian Aviation Security Regulations, 2012</li> <li>Canada Labour Code</li> <li>Canadian Charter of Rights and Freedoms</li> </ul> <p><a href="#">ISO 14001</a></p>
	<p>2-24 Embedding policy commitments</p>	<p><a href="#">Governance Report</a>  <a href="#">Sustainability Plan</a>  <a href="#">Risk Management</a></p> <p>The annual incentive program provides for the payment of bonuses to executives and employees not subject to a collective agreement based on individual performance as well as on the achievement of corporate objectives. For the year 2022, some of the objectives established related to the management of ESG priority topics: climate change adaptation and resilience; residual material management; land access, intermodality and connectivity; sustainable airport infrastructure; customer experience; as well as the issuance of the first ESG disclosure report (ref: <a href="#">2021 integrated annual report</a>).</p>





Standard	Indicator	Reference or answer
<b>General Disclosures</b>		<p>The long-term incentive program provides bonuses to executives and senior managers based on the achievement of targets over the 2021-2023 timeframe. Some of the targets set are for initiatives that address the management of the priority ESG topics of climate change adaptation and resilience, greenhouse gas emissions, land access, intermodality and connectivity, sustainable airport infrastructure and customer experience.</p>
	<p>2-25 Processes to remediate negative impacts</p>	<p>See management approaches by relevant ESG topic (reference table: <a href="#">indicator 3-2</a>)  <a href="#">Environmental Management System</a> (EMS)  <a href="#">Biodiversity and greening</a>  <a href="#">Development Projects and Tenant Permits</a></p> <p>ADM's Management reports to the Board of Directors at each meeting on environmental incidents that have occurred at the YUL and YMX sites, if any. The follow-up of the environmental incident management action plan is done on an annual basis with the Board.</p>
	<p>2-26 Mechanisms for seeking advice and raising concerns</p>	<p><a href="#">Community Advisory Committee</a>  <a href="#">Confidential Information Telephone Line</a>  <a href="#">Employee Code of Ethics</a>  <a href="#">Consultations</a>  <a href="#">Validation of sustainability issues</a>  <a href="#">Information meetings - North runway construction work</a></p> <p>Upcoming Consultation: Master Plans 2023 - 2043 (see <a href="#">Infrastructure Maintenance and Development indicator</a>)  <a href="#">Sustainable Development Committee</a></p> <p>The Integrated Risk Management Policy requires employees to immediately communicate to their immediate supervisor any new significant risk that may affect the achievement of ADM's strategic objectives. The heads of the various divisions assist their respective vice-presidencies in identifying risks that could significantly affect the achievement of their objectives.</p>
	<p>2-27 Compliance with laws and regulations</p>	<p>During the year 2022, no notices of violation or statements of offence were received by Aéroports de Montréal.</p> <p>Aéroports de Montréal Capital Inc. received, on January 6, 2022, two notices of violation issued by the City of Montréal related to a request from the City to install or replace a water meter. Corrective work was promptly completed in both cases, resulting in the termination of these cases. Aéroports de Montréal Capital Inc. has not received any statements of offence.</p>



Standard	Indicator	Reference or answer
<p><b>General Disclosures</b></p>	<p>2-28 Membership associations</p>	<p><b>Memberships</b></p> <p>Aéro Montréal                      Airports Council International - North America (ACI-NA)/Canadian Airports Council (CAC)                      Québec Tourism Industry Alliance                      Association québécoise des transports (AQTr)                      Conseil des entreprises en technologies environnementales du Québec (CETEQ)                      Infrastructure Council                      Conseil du Patronat                      Conseil Patronal de l'Environnement du Québec (CPEQ)                      Consortium for Research and Innovation in Aerospace of Québec (CRIAQ)                      American Chamber of Commerce in Canada (AmCham Québec)                      West Island of Montreal Chamber of Commerce (WIMCC)                      Chamber of Commerce of Metropolitan Montréal (CCMM)                      Chamber of Commerce and Industry of Mirabel                      Italian Chamber of Commerce in Canada                      Canada-China Business Council                      Espace québécois de concertation sur les pratiques d'approvisionnement responsable (ECPAR)                      Federation of Québec Chambers of Commerce (FCCQ)                      Cluster for Electric and Smart Transportation (Propulsion Québec)                      Metropolitan Logistics and Transportation Cluster of Montréal (CargoM)                      Tourisme Montréal                      French Airports Association</p> <p><b>Partnerships</b></p> <p>Montreal Council on Foreign Relations (MCFR)                      Québec BIM Group                      Junior Chamber of Commerce of Montréal (JCCM)                      Montréal International (FODEV)                      Partenariat Climat Montréal (PCM)</p> <p><b>Donations and other involvement</b></p> <p><a href="#">Community and social involvement</a></p>
	<p>2-29 Approach to stakeholder engagement</p>	<p><a href="#">Become an agent of change</a>  <a href="#">Community Advisory Committee</a>  <a href="#">Environmental Management System (EMS)</a>  <a href="#">Responsible Procurement</a></p>





Standard	Indicator	Reference or answer
<p><b>General Disclosures</b></p>		<p><b>Construction sites</b></p> <p>Contract volumes D and E apply to any contractor who has entered into an agreement with ADM, as well as to its subcontractors and suppliers, and to workers on site at YUL or YMX. Volume D details the procedures that govern construction activities with respect to the Safety Management System (SMS). Through Volume E, ADM imposes its environmental requirements for construction sites. This volume describes the responsibilities, deliverables (environmental protection program, reports, etc.) and procedures to be followed with respect to environmental protection.</p> <p>These same contracts specify the minimum requirements as well as ADM’s main rules, procedures or guidelines to be followed with respect to health and safety.</p> <p>In addition to the site-specific health and safety training or information sessions developed by the contractor, any worker or professional who is to perform an intervention (other than an escorted visitor) on a construction site located on one of YUL’s or YMX’s airport sites must attend the construction site multidisciplinary welcome session on an annual basis. This session summarizes the major hazards and procedures described within Volumes D and E.</p> <p><b>Tenants</b></p> <p>Any leaseholder (space rental, concessions, land rental or building rental) with ADM wishing to undertake new construction or improvements on the YUL or YMX site must submit an application for a permit to do so prior to commencing the work. The application, which is processed through ADM’s Facility Alteration Permit Office (FAPO), is reviewed by ADM’s in-house technical professional teams prior to approval (ref: <a href="#">Development Projects and Tenant Permits</a>). The instructions sent by ADM to the applicant include the main applicable procedures for volumes D and E as well as Health and Safety.</p> <p>In addition to the proposed development projects at the YUL and YMX sites being reviewed by an environmental professional, ADM’s space, concession, land or building leases include clauses specifying ADM’s key health and safety rules, procedures or guidelines to be followed (ref: <a href="#">indicators 403</a> and <a href="#">416</a>).</p>
	<p>2-30 Collective bargaining agreements</p>	<p><a href="#">Annual statistics on the number of unionized employees</a></p> <p>A specific compendium for employees not subject to a collective agreement describes their working conditions.</p> <p>As ADM is federally regulated, the provisions of the Canada Labour Code apply to any terms and conditions of employment that are not set out in the handbook or the collective agreements.</p>
	<p>AO8 Displacement and resettlement</p>	<p>Entities or individuals displaced due to current or future YUL or YMX developments (total 2022):</p> <p>Real estate acquisitions = 0  Termination of current leases = 0  Non-renewal of expiring leases = 0</p>



Standard	Indicator	Reference or answer																													
<b>Material Topics</b>																															
<b>Material Topics</b>	3-1	<p>Process to determine material topics</p> <p><a href="#">ESG materiality matrix</a> <a href="#">Sustainability Challenges</a></p>																													
	3-2	<p><b>ADM's ESG priority topics disclosure framework according to the latest materiality matrix</b></p> <table border="1" style="width: 100%; border-collapse: collapse;"> <thead> <tr> <th style="background-color: #444; color: white;">ESG priority topics for ADM (11)</th> <th style="background-color: #ccc;">Disclosure Framework</th> </tr> </thead> <tbody> <tr> <td>Climate Change Adaptation and Resilience</td> <td>GRI 201-2: Financial implications and other risks and opportunities due to climate change</td> </tr> <tr> <td>Stream Quality</td> <td>GRI 303: Water and Effluents</td> </tr> <tr> <td>Greenhouse Gas Emissions</td> <td>GRI 305: Emissions</td> </tr> <tr> <td>Residual Materials Management</td> <td>GRI 306: Waste</td> </tr> <tr> <td>Land Access, Intermodality and Connectivity</td> <td>GRI G4-AO: Transport and Inter-modality</td> </tr> <tr> <td>Workers Well-being and Quality of Life</td> <td>GRI 403: Occupational Health and Safety</td> </tr> <tr> <td>Resilience of Airport Operations</td> <td>GRI G4-AO: Business Continuity and Emergency Preparedness</td> </tr> <tr> <td>People's Health, Safety and Security</td> <td>GRI 416: Customer Health and Safety</td> </tr> <tr> <td>Sustainable Airport Infrastructure*</td> <td>Maintenance and development of infrastructure</td> </tr> <tr> <td>Cybersecurity and Data Protection</td> <td>GRI 418: Customer Privacy</td> </tr> <tr> <td>Customer Experience</td> <td>GRI G4-AO: Service Quality</td> </tr> </tbody> </table> <p><b>Airport Operators Sector Disclosures frameworks that are not covered by ADM's ESG priority topics</b></p> <table border="1" style="width: 100%; border-collapse: collapse;"> <thead> <tr> <th style="background-color: #444; color: white;">ESG additional industry topics (2)</th> <th style="background-color: #ccc;">Disclosure Framework</th> </tr> </thead> <tbody> <tr> <td>Soundcape Management</td> <td>GRI G4-AO7: Noise</td> </tr> <tr> <td>Universal Accessibility</td> <td>GRI GA-AO: Provision of Services or Facilities for Persons with Special Needs</td> </tr> </tbody> </table> <p>As a result of the updated ESG Topics Materiality Matrix, additional topics covered by this disclosure framework, as compared to the 2021 disclosure framework, are identified with an asterisk.</p> <p>Compared to last year's report, the energy efficiency of ADM's operations is not included in this ESG disclosure framework. It should be noted, however, that the topic on greenhouse gas emissions addresses the measures undertaken by ADM in this regard.</p>	ESG priority topics for ADM (11)	Disclosure Framework	Climate Change Adaptation and Resilience	GRI 201-2: Financial implications and other risks and opportunities due to climate change	Stream Quality	GRI 303: Water and Effluents	Greenhouse Gas Emissions	GRI 305: Emissions	Residual Materials Management	GRI 306: Waste	Land Access, Intermodality and Connectivity	GRI G4-AO: Transport and Inter-modality	Workers Well-being and Quality of Life	GRI 403: Occupational Health and Safety	Resilience of Airport Operations	GRI G4-AO: Business Continuity and Emergency Preparedness	People's Health, Safety and Security	GRI 416: Customer Health and Safety	Sustainable Airport Infrastructure*	Maintenance and development of infrastructure	Cybersecurity and Data Protection	GRI 418: Customer Privacy	Customer Experience	GRI G4-AO: Service Quality	ESG additional industry topics (2)	Disclosure Framework	Soundcape Management	GRI G4-AO7: Noise	Universal Accessibility
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# GRI Content Index

Standard	Indicator	Reference or answer
	3-3 Management of material topics	<p><b>General approach</b></p> <p><a href="#">Sustainability Plan</a>  <a href="#">Enterprise Risk Management</a>  <a href="#">Sustainability Report</a>  <a href="#">Governance Report</a>  <a href="#">Transparency</a></p> <p>See management approaches by relevant ESG topic (reference table: <a href="#">indicator 3-2</a>)</p>
<b>Climate Change adaptation and resilience</b>		
<b>Economic Performance</b>	201-2 Financial implications and other risks and opportunities due to climate change	<p><a href="#">TCFD Disclosure Framework</a>  <a href="#">ADM Sustainability Plan</a></p>
<b>Stream quality</b>		
<b>Water and Effluents</b>	303 Management approach	<p><a href="#">ADM's Sustainability Plan</a>  <a href="#">Water quality</a>  <a href="#">Protection of habitats</a>  <a href="#">Remediation of the fire training site at YXM</a></p> <p>Phase 2 remediation of the fire training site at YMX, which consists of remediating contaminated soils, is in the planning stages, but measures are in place to prevent contaminants from leaving the airport site.</p> <p>ADM management reports to the Board of Directors twice a year to monitor the progress of the action plan to mitigate risks to water quality from ADM's operations as well as those of the airport communities operating at YUL and YMX.</p>
	AO4 Quality of storm water	<p><a href="#">ADM's Sustainability Plan</a>  <a href="#">Water quality</a>  <a href="#">Annual statistics of the evolution of the quality of YUL watercourses</a></p> <p>The main causes of suspended solids (SS) are the type of substrate (fine sediments) found in the waterways and bank erosion. An annual report detailing monitoring, results and action plans is sent to the respective municipal authorities.</p>
	303-2 Management of water discharge-related impacts	<p>See <a href="#">indicator 303-AO4</a> for watercourse quality and <a href="#">indicator 303-4</a>.</p> <p>There are no other discharges than these.</p>



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Standard	Indicator	Reference or answer
<b>Water and Effluents</b>	303-3 Water withdrawals	YUL: 467,764 m <sup>3</sup> of groundwater was withdrawn in 2022. This withdrawal was done to avoid flooding the interior of a building. YMX: 74,779 m <sup>3</sup> of groundwater was pumped in 2022. No other type of water sampling was conducted.
	303-4 Water discharge	The amount of groundwater pumped in 2022 at YUL was discharged directly to a drainage ditch. The amount of water discharged to the storm drain system at YUL is the same as the amount pumped.
	AO6 Aircraft and pavement de-icing/anti-icing fluid	<a href="#">Winter Operations</a>
<b>Greenhouse gas emissions</b>		
<b>Emissions</b>	305 Management approach	The organization uses fossil fuels in its operations. These fuels are the source of atmospheric emissions. ADM has adopted an <a href="#">action plan to reduce them over the next few years</a> . <a href="#">Greenhouse gas emissions</a> <a href="#">Land access, intermodality and connectivity</a> The Roadmap to Net Zero was developed in conjunction with the Energy Master Plan to ensure consistency in the strategies that will be implemented. <a href="#">Renewal of Airport Carbon Accreditation</a> <a href="#">ADM partners with C-SAF</a> ADM’s management reports to the Board of Directors on ADM’s annual greenhouse gas emissions (scope 1 and 2) and on the scope 3 emissions for Montréal-Trudeau Airport. The action plan to reduce GHG emissions is reported to the Board twice a year. In 2022, ADM developed an action plan to address air quality. Implementation of the first measures will begin in 2023.
	AO5 Ambient air quality levels	ADM does not collect data for this indicator. Public information collected from the City of Montréal station is used for analysis. The data is available on the <a href="#">City’s website</a> .





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Standard	Indicator	Reference or answer
<b>Emissions</b>	<p><b>305-1</b> Direct (Scope 1) GHG emissions Energy</p> <p><b>305-2</b> Indirect (Scope 2) GHG emissions</p>	<p>Select the parameters at the bottom of the table (site: YUL or YMX, year, etc.) to obtain the <a href="#">annual Scope 1 and 2 GHG emissions statistics</a>.</p> <p>At YUL, the observed increase in GHG emissions in 2022 compared to 2021 is primarily due to increased natural gas consumption at the thermal plant and fuel consumption at mobile sources. The increase in natural gas is due to the generally colder temperatures in 2022 compared to 2021, particularly for the months of January and February. The higher fuel consumption in mobile sources is due to higher amounts of snow and freezing rain than the previous year. The resumption of parking shuttle operations and longer runs in P8 and P9 parking lots also contributed to higher fuel consumption.</p> <p>At YMX, the observed increase in GHG emissions in 2022 compared to 2021 is due to the fact that temperatures were colder. As a result, natural gas and heating oil consumption increased. Note that heat production for the winter months accounts for a large proportion of GHG emissions at YMX. In addition, the higher fuel consumption in mobile sources was due to higher amounts of snow and freezing rain than the previous year.</p>
	<p><b>305-3</b> Other indirect (Scope 3) GHG emissions</p>	<p><a href="#">Scope 3 GHG emissions</a></p> <p>Data is compiled for the YUL site only (excluding YMX). A work plan will be filed in 2023 to establish Scope 3 GHG emissions at YMX.</p>
	<p><b>305-4</b> GHG emissions intensity</p>	<p>Select the unit kg CO2 eq./PAX at the bottom of the table to obtain <a href="#">the GHG Scope 1 and 2 emissions intensity</a> or select the unit kg CO2 eq./100 tons of freight at the bottom of the table to get the emissions intensity by freight transportation at YUL and YMX.</p>
	<p><b>305-5</b> Reduction of GHG emissions</p>	<p>GHG reduction measures undertaken in 2022</p> <ul style="list-style-type: none"> <li>• Use of renewable natural gas: <a href="#">see initiatives</a></li> <li>• Biofuel Pilot Project: <a href="#">Year at a Glance - June</a></li> <li>• Building Energy Challenge: <a href="#">Year at a Glance - June</a></li> </ul>



Standard	Indicator	Reference or answer
<b>Residual materials management</b>		
<b>Waste</b>	<b>306</b> Management approach	<p><a href="#">ADM's Sustainability Plan Residual materials management</a></p> <p>One of ADM's main sources of residual materials comes from the operation of concessions, such as stores and restaurants. The waste consists of packaging and food leftovers, both from the kitchens and after customers have eaten. This waste is mostly non-hazardous. However, if it were all sent to landfill, its degradation time would be significant, thus impacting land use, generating leachate and greenhouse gases. Another source of waste is from passenger screening, where many still useful items are discarded. A donation program is in place with the organization Le Chaînon to reuse items in good condition, to avoid unnecessary loss of hygiene products, and to avoid the loss of edible items. This measure has both a positive social and environmental impact. However, it should be noted that this measure only delays the environmental impact of the end of life of these items.</p> <p>Finally, the generation of personal protective equipment (PPE) at the checkpoints as well as by passengers is diverted from landfill by the installation of special recovery bins. These efforts are aimed at reducing the volume of final waste generated in the facilities.</p> <p><a href="#">Development and Innovation Committee</a></p> <p>ADM's management reports to the Board of Directors on the annual review of residual material management.</p>
	<b>306-AO GA-EN23</b> Management approach Waste from international flights	<p><a href="#">International Waste Directive</a></p> <p><a href="#">Annual statistics on residual materials generated on board aircraft</a></p> <p>ADM does not manage international waste at YMX.</p>
	<b>306-1</b> Waste generation and significant waste-related impacts	<a href="#">Residual materials management</a>
	<b>306-2</b> Management of significant waste-related impacts	
	<b>306-3</b> Waste generated	<p><a href="#">Annual statistics of residual materials generated</a> by category</p> <p><a href="#">Total residual hazardous materials at YUL</a></p> <p>ADM was not able to maintain the 60% diversion rate for residual materials at YUL in 2022 (residual materials from the terminal and adjacent ADM buildings, excluding those related to construction, demolition or renovation work). <a href="#">See explanations</a></p> <p>At YMX, waste collection is also handled by the municipality. Due to the limited volume generated at this site, collection (by the service provider) is done at the same time as for other tenants. Therefore, data specific to the ADM facility is not available. In 2021, ADM conducted a characterization study that showed that approximately 28.7% of its recyclables and compostables at YMX are diverted from landfill.</p>
	<b>306-4</b> Waste diverted from disposal	
	<b>306-5</b> Waste directed to disposal	





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Standard	Indicator	Reference or answer
<b>Land access, intermodality and connectivity</b>		
<b>Transport</b>	AO Management approach	<p>As an airport is a major transit and economic hub, it is essential that users be able to access it quickly and efficiently. This is a matter of competitiveness, both for the airport and for the prosperity of the city and its region.</p> <p><a href="#">Land access, intermodality and connectivity</a>  <a href="#">Other measures</a></p> <p>In addition, the availability of a fast, structuring transportation link between the airport and downtown Montréal is a factor that influences the choice of a city for the holding of major international conventions or for the establishment of a place of business by an international company.</p> <p><a href="#">Back on track</a>                      YUL REM Station Project: <a href="#">Year at a Glance - January</a>                      YUL REM Station Project: <a href="#">Year at a Glance - December</a></p> <p><a href="#">Access to YUL</a>  <a href="#">Employee access to YUL</a>  <a href="#">Ground Transportation</a>  <a href="#">Transport incentive program for ADM employees</a></p>
<b>Intermodality</b>	AO Management approach	<p><a href="#">VIA Rail Canada Long Distance</a>  <a href="#">Regional shuttles</a></p>



Standard	Indicator	Reference or answer
<b>Workers well-being and quality of life</b>		
<b>Occupational Health and Safety</b>	<p>403 Management approach</p>	<p>Some of ADM's employees are exposed to risks that could result in an occupational accident or illness, the impact of which could be very serious. ADM ensures that effective policies, procedures and measures are in place to protect the health, safety and physical and psychological well-being of its employees and reinforces its commitment to:</p> <ul style="list-style-type: none"> <li>• Provide employees with the means and resources to help them maintain or improve their health, as appropriate;</li> <li>• Foster a work environment that encourages healthy and safe behaviours to help employees reach their potential and optimal health at work and in their personal lives;</li> <li>• Shared accountability among all stakeholders to ensure the health, safety and well-being of employees.</li> </ul> <p>The OHS directives and procedures are available on the ADM intranet site, accessible to employees, managers and non-employees (ref: <a href="#">indicator 2-8</a>). They are revised or updated as needed, particularly when there is a change in situation or equipment or when an emerging risk is identified. This is done in collaboration with superiors, employees, LHSC members, and the Senior OHS Business Partner.</p> <p><a href="#">ADM's Sustainability Plan Occupational Health and Safety</a></p> <p>There are five Local Occupational Health and Safety Committees (LOHSC) formed within ADM. They are composed of representatives from the employees' respective union units, or non-union employees. The LOHSCs deal with local issues specific to the employee group represented. They can also help identify issues of general concern. The Policy Health and Safety Committee (PHSC) deals with health and safety issues that have a corporate impact and where the implications go beyond local concerns. The minutes of the meetings of these committees, which are held on a monthly basis, are posted on ADM's intranet site and are accessible to its employees.</p> <p>OHS indicators for ADM employees are updated monthly.</p> <p>ADM management reports to the Board of Directors at each meeting on lost-time incidents, if any, that have occurred for ADM employees.</p> <p>ADM management reports to the Board of Directors on the annual Health and Safety performance of ADM employees.</p>
	<p>403-AO Management approach</p>	<p>The YUL and YMX airport sites are frequented daily by thousands of workers, either under the responsibility of ADM, its suppliers or other employers in the airport community, or under the responsibility of construction site contractors. In such an environment where several groups of workers circulate and work side by side, the main issue for the various occupational health and safety stakeholders is to ensure that everyone works together to limit work-related accidents while respecting the scope of their intervention framework. In this context, ADM intends to strengthen the organization's vision of worker health and safety on its airport sites, and to specify the management structure as well as the fields of intervention specific to each of the players through a formal management structure, which is currently being developed.</p> <p>Other than the risk assessment program related to the presence of asbestos, ADM does not have a systematic assessment program for exposure to noise, other pollutants or other substances that could affect its employees or other workers on the sites. Prevention involves the application of work methods and the use of personal protective equipment in order to mitigate the risks that may arise.</p>



Norme	Indicator	Reference or answer
<p><b>Occupational Health and Safety</b></p>		<p>Permits are issued for: hot work, lockout and confined space work. Work procedures govern the issuance of these permits. They are applied by ADM employees and help supervise the workers on the construction sites of YUL and YMX (ref: <a href="#">indicator 2-29</a>).</p> <p><b>ADM project construction workers</b></p> <p>See <a href="#">indicator 2-29</a>.</p> <p>ADM's OHS infrastructure team ensures a presence during the various stages of the project (visits to bidders, start-up meetings, weekly meetings, on site through scheduled periodic inspections, during high-risk work, during follow-up of the implementation of corrective actions following an event), in order to inculcate ADM's OHS vision and values in the contractors.</p> <p>Audit and inspection mechanisms are in place to ensure compliance with OHS contractual clauses, minimum requirements and applicable OHS laws by contractors on YUL and YMX sites. An OHS performance evaluation for each prime contractor and for each construction project is performed. This is reported to ADM's Strategic Sourcing Department.</p> <p>In 2022, ADM's OHS infrastructure team ensured that all non-conformities raised during inspections or in event investigation reports were corrected.</p> <p>ADM management reports to the Board of Directors at each meeting on lost time incidents on ADM project sites, if any.</p> <p>ADM's management also reports to the Board of Directors on the annual Health and Safety report for its work sites, based on the following indicators: frequency rate, severity rate, number of accidents reported to the CNESST, number of fatal accidents and incidents, number of days lost, past injuries and property damage.</p> <p><b>Workers on airport sites</b></p> <p>ADM's Emergency Preparedness Plan (see <a href="#">Business Continuity and Emergency Preparedness Indicator - AO</a>) includes a section dealing with infectious and dangerous diseases. ADM management is responsible for coordinating airport activities during a quarantine or Communicable Diseases (CD) emergency. It will assume its functions in cooperation with the Public Health Agency of Canada (PHAC) and the Canada Border Services Agency (CBSA).</p>
	<p><b>403-1</b></p> <p>Occupational Health and Safety management system</p>	<p><a href="#">Occupational Health and Safety</a></p> <p>ADM has risk prevention programs for all its employees. They are integrated through implementation processes according to the improvements that are identified, which will be put in place over the next two years.</p> <p>Under applicable federal jurisdiction, programs must be reviewed every three years. During the risk assessment update, which is conducted on an annual basis, the LOHSCs assess whether any risks need to be added. Each LOHSC identifies improvement and prevention initiatives that they will monitor throughout the year to ensure that the program is adequately completed. The prevention programs are available to ADM employees via the ADM intranet site.</p> <p>The current OHS policies, guidelines and procedures are applicable to ADM employees only, excluding other workers on site. It is the responsibility of each employer to cover these aspects with their respective employees.</p>





Norme	Indicator	Reference or answer
<b>Occupational Health and Safety</b>	<b>403-2</b> Hazard identification, risk assessment, and incident investigation	<p>One of the roles of the LOHSCs is to participate in the hazard prevention program required under applicable federal jurisdiction. This program analyzes and evaluates the risks related to the characteristics of ADM employees' workstations and functions, and must identify the mitigation measures to be implemented. In addition, ADM's Occupational Health and Safety Policy states that every employee must report to his or her immediate supervisor any object or circumstance in the workplace that presents a risk to his or her health or safety or to that of his or her co-workers or other persons. The immediate supervisor is responsible for managing hazards related to the performance of duties (identification, elimination, reduction and development of work procedures that incorporate, among other things, health and safety aspects) or reporting to his or her supervisor any hazards that are observed that cannot be dealt with at his or her level. By regulation, the employee has the right to signal a hazard. In the event of a disagreement, he or she may refer the matter to the Human Capital team, his or her union representative, or file a complaint with Employment and Social Development Canada (ESDC).</p> <p>Accidents and near misses are reported in a health and safety management software (SMAAT) for trades employees. Investigations are conducted, in collaboration with the LOHSCs that are trained to conduct investigations, to identify corrective action. For other employees, there are also hazardous occurrence or work refusal reporting and follow-up processes in place. Access to ADM employee files is restricted to the Human Capital team.</p> <p>These OHS processes are applicable to ADM employees only, excluding other workers on site. It is the responsibility of each employer to cover these aspects with their respective employees.</p>
	<b>403-3</b> Occupational health services	<p><b>Occupational health and safety</b></p> <p>ADM employees are citizens or permanent residents of Canada who reside in the province of Québec. As such, they are eligible for the various health services covered by the Régie de l'assurance maladie du Québec.</p> <p>ADM employees can also use Dialogue's telemedicine service (ref: indicator 403-6).</p> <p>The LOHSCs are the reference sources for employees. Following an employment injury, in certain situations, the employee must undergo a medical examination. The purpose of the medical examination is to follow the evolution of the employee's state of health related to a CNESST claim, in accordance with section 209 of the Act respecting industrial accidents and occupational diseases (AIAOD). All information is kept confidential in the employee's file. All of the above is governed by procedures.</p>
	<b>403-4</b> Worker participation, consultation, and communication on occupational health and safety	<p>See <b>indicators 403</b> and 403-2.</p> <p>The application of participation, consultation and communication processes regarding OHS is provided for in the provisions of the federal jurisdiction in force. It is essentially done through the holding of LOHSCs and PHSCs. In addition, an annual report covering the holding of these committees is sent to Employment and Social Development Canada.</p>
	<b>403-5</b> Worker training on occupational health and safety	<p><b>Occupational health and safety</b></p> <p>ADM offers approximately 50 training courses covering the needs of all job categories. The most targeted trades are blue collar, representing 35 different occupations. Each job category has a predetermined profile of mandatory or suggested training, as the case may be. The information is recorded in a training management system (SuccessFactors platform). Some training is taken on a recurring basis annually, or every three years, or when the need for a refresher course is assessed. The entire body of selected courses is reviewed with the departments and LOHSC concerned. The trainers are recognized by the CNESST.</p>



Standard	Indicator	Reference or answer
<b>Occupational Health and Safety</b>		<p>OHS training is provided at the workplace. Costs are covered by ADM. Sessions are held during paid working hours.</p> <p>The training offered by ADM to its employees is not provided to other workers on the site, with the exception of the Multidisciplinary Welcome Session for construction workers on the YUL and YMX sites, which must be taken annually. It is the responsibility of each employer to cover these aspects with their respective employees.</p>
	<p>403-6 Promotion of worker health</p>	<p><a href="#">Équilibre/Wellness Program</a></p> <p><a href="#">Dialogue</a> services are available to all employees and their families (spouse or child), from the first day of employment. This confidential service is available 7 days a week, 24 hours a day.</p> <p>ADM employees are eligible for the Aéroports de Montréal group insurance plan after a period of six months of continuous service: <a href="#">Social benefits</a>.</p> <p>Health management account: see <a href="#">indicator 2-21</a>.</p> <p>ADM does not provide a program or promote general health (ref: indicators 403-3 and 403-5) to workers at airport sites who are not ADM employees.</p>
	<p>403-7 Prevention and mitigation of occupational health and safety impacts directly linked by business relationships</p>	<p>See <a href="#">indicator 403-AO</a>.</p> <p>ADM oversees the Airside Operations Safety Committee (AOSC), which addresses airside safety issues with its key site partners, as well as health and safety situations that may affect all airport community workers on site.</p> <p>ADM, a corporation under federal jurisdiction, as well as several of its business partners under federal or provincial jurisdiction, must be registered with the <i>Commission des normes, de l'équité, de la santé et de la sécurité du travail</i> (CNESST) for occupational health and safety insurance coverage.</p> <p>When information is provided to ADM by third parties regarding workers who are not ADM employees, access to the records is restricted to the Human Capital or Legal Affairs team, as appropriate.</p> <p>When awarding contracts, one of the verification steps consists of validating whether suppliers are properly registered with the CNESST.</p> <p>Construction projects and tenants: see <a href="#">indicator 2-29</a>.</p>
	<p>403-8 Workers covered by an occupational health and safety management system</p>	<p>See <a href="#">indicator 403-1</a>.</p>



Standard	Indicator	Reference or answer
<b>Occupational Health and Safety</b>	403-9 Work-related injuries	<p><a href="#">Annual statistics</a></p> <p>Main type of accident: back pain due to “lift, push and pull” issues.</p> <p>All accidents are investigated and corrective measures are implemented.</p> <p>The majority of risky tasks are documented with specific work procedures.</p> <p>For the year 2022, regarding ADM employees, there was a slight increase in non-time-loss OHS incidents compared to 2021. There was also a slight increase in the number of lost-time accidents, but it should be noted that those that occurred in 2022 involved fewer lost-time hours than those in 2021. Despite this increase, it should be noted that the number of accidents (i.e., the number of lost-time incidents) reported to the <i>Commission des normes, de l'équité, de la santé et de la sécurité du travail</i> (CNESST) dropped from pre-pandemic levels.</p> <p>The annual review is presented at the first meetings of the year of each PHSC. Action plans to reduce risks are developed accordingly when deemed necessary. These action plans are incorporated into the new year's committee action items, as appropriate.</p>
	403-10 Work-related ill health	<p><a href="#">Annual statistics</a></p> <p>The three most important sources of risk (and mitigation measures): noise exposure (mandatory hearing protection in designated areas); presence of asbestos (identification, information, intervention and personal protection program); and ergonomics (office equipment provided, information and personalized adjustment follow-up available).</p>
<b>Resilience of airport operations</b>		
<b>Business Continuity and Emergency Preparedness</b>	AO Management approach	<p><b>Business continuity plan</b></p> <p>The Vice President of Technology and Innovation's Business Continuity Plan (BCP-VPTI) defines the applicable guiding principles, the roles and responsibilities of the various stakeholders for the implementation and maintenance of the Plan, as well as the description of the activities required to ensure the recovery of ADM's systems and technologies within the required timeframes during incidents and crises.</p> <p>Since 2019, the operation of ADM's technology environment has been outsourced. The external partner is required to perform the succession of services that have been outsourced to them through their Disaster Recovery Plan (DRP). The combination of BCP-VPTI and DRP ensures that the organization's operations are technologically sustainable during a major incident or crisis, and mitigates the impact during a business interruption. This enables ADM to comply with best practices in business continuity.</p> <p>The last review of the BCP-VPTI was conducted in March 2020.</p> <p><a href="#">Emergency Response Plan</a></p> <p>MISTRAL Emergency Safety Exercise: <a href="#">Year at a Glance - May</a></p> <p>NATURE Emergency Exercise: <a href="#">Year at a Glance - May</a></p> <p>In 2022, the YUL and YMX contingency plans were audited under the SMS quality assurance program to validate compliance with Canadian Aviation Regulations. A corrective action plan is being developed.</p> <p>ADM management reports to the Board of Directors twice a year on the business continuity plan, covering both physical and technological facilities.</p>





Standard	Indicator	Reference or answer
<b>People's health, safety and security</b>		
<b>Customer Health and Safety</b>	416 Management approach	<p><b>Security of operations</b></p> <p>A failure in the airside safety management system (SMS) could lead to an incident or accident affecting aviation safety.</p> <p>In accordance with existing regulations and the contractual agreement between Transport Canada and Aéroports de Montréal, ADM has an <a href="#">Airside Operations Safety Management System</a> (SMS) in place that covers all of its flight operations.</p> <p>The purpose of the Safety Management System Policy is to manage and maintain the risk of incidents and accidents related to ADM's services and facilities governed by the Airport Operations Manual at an acceptable level. To complement the Policy, the Safety Management System Plan establishes the processes and associated roles and responsibilities. Risk management is carried out by analyzing a hazard or event that could result in damage, threaten the life and health of people, or have a negative impact on our operations.</p> <p><a href="#">SMS Policy and Plan</a>  <a href="#">National Airport Safety Week</a>            SWIFT Conference: <a href="#">Year at a Glance - September</a>            Construction projects and tenants: See <a href="#">Indicator 2-29</a></p> <p><b>Security</b></p> <p><a href="#">Commitment to safety</a>  <a href="#">Airport Patrol</a>, <a href="#">ADM's Fire Service</a> and <a href="#">Law enforcement agencies Coordination</a></p> <p>ADM management reports to the Board of Directors twice a year on the follow-up of airport security issues identified by management, as well as on the progress of the action plan to mitigate the risks.</p> <p><b>Health measures</b></p> <p>Ref: <a href="#">Indicator 403-AO</a>, see infectious and dangerous diseases <a href="#">Emergency Response Plan</a></p> <p>In the context of ADM's membership in the Skytrax program (ref.: Quality of Service indicator - AO), visual inspections are carried out by external auditors in order to assess the level of sanitation observed in the airport's public areas. During this inspection visit, microbial samples are taken. This audit is conducted every two years. The findings and the results of the analyses are communicated to ADM. Action plans for corrective measures are drawn up accordingly.</p> <p>ADM has also opted to conduct regular bacteriological tests ("ATP tests"), especially on frequently touched surfaces, in order to control the risk of cross-contamination.</p> <p>ADM's in-house contract quality department conducts inspections, including cleanliness of the premises, on a daily basis. Observations are recorded in a logbook and communicated to the service providers responsible for housekeeping. Those that require prompt attention are addressed immediately. The results of these inspections are also discussed at weekly meetings with the providers, and are added to the components of their performance indicator tables (which result in bonuses or penalties). The Provider Communication Protocol outlines the processes and roles and responsibilities of stakeholders to ensure effective monitoring and handling of observations. In addition, and in order to remain in compliance with the requirements and good practices in this area, all cleaning and disinfection procedures are developed and audited in collaboration with government authorities, notably Health Canada.</p>



Standard	Indicator	Reference or answer
<b>Customer Health and Safety</b>	416-AO9 Management approach	<a href="#">Wildlife management</a> <a href="#">Wildlife Management</a>
	416-AO9 Wildlife strikes	<a href="#">Annual statistics on the number of confirmed wildlife strikes per 10,000 aircraft movements</a> : see graph at bottom of text
	416-1 Assessment of the health and safety impacts of product and service categories	<a href="#">Annual statistics on the number of airside incidents and accidents ratios (select the indicator at the bottom of the table)</a>  The increase in incidents and accidents observed in 2022 is <a href="#">primarily related to the recovery of airport operations combined with labour shortages</a> .
	416-2 Incidents of non-compliance concerning the health and safety impacts of products and services	<a href="#">Annual statistics for total runway incursions in 2021 (select the indicator at the bottom of the table)</a>  The decrease in runway incursions seen at YMX in 2022 is related to the reduction in flight schools activity.  At the end of 2022, ADM has completed the second year of the three-year audit plan cycle. The few non-compliance items raised relate to the documentation of observance of established processes. Corrective action plans have been put in place and are being followed.
<b>Sustainable airport infrastructure</b>		
<b>Maintenance and development of infrastructure</b>	ADM's investment program and planning	<p>ADM manages the lifecycle and development of its airport infrastructure to meet the growth in passenger traffic and the evolution of the industry. Since its inception, ADM has invested more than \$4.3 billion in its development and maintenance or replacement programs (as of December 31, 2022, excluding its subsidiaries and land acquisition).</p> <p>Adaptation and resilience to climate change: see <a href="#">indicator TCFD-RM.b</a>. <a href="#">Strategic Review 2023-2028 - Infrastructure in three stages</a></p> <p><b>Development plans</b></p> <p><a href="#">What happens next</a> Strategic Review 2023-2028 - <a href="#">From “successful growth” to “successful recovery”</a>.</p> <p>In 2023, ADM will hold public consultations in preparation for the 2023-2043 YUL and YMX airports master plans.</p> <p><b>Asset maintenance plans</b></p> <p>ADM is responsible for the life cycle management of its assets spread across the YUL and YMX sites. ADM's architectural-engineering, project and maintenance teams carry out the necessary inspections and interventions to ensure that the infrastructure and equipment, regardless of their age, remain as reliable and usable as possible, and above all, safe for users.</p> <p>The Asset Maintenance Plan (“AMP”), which defines the strategies and steps to ensure optimal asset life cycle management, was last updated in 2019. The exercise, to be held again in 2023, will confirm the obsolescence of YUL's overall infrastructure and establish response plans accordingly. This AMP will be integrated with a new building management system that will allow the organization to gain efficiency and agility on this issue.</p> <p>Runway 06L-24R Rehabilitation: <a href="#">Year at a Glance - June</a></p>



Standard	Indicator	Reference or answer
<b>Cybersecurity and data protection</b>		
<b>Customer Privacy</b>	418 Management approach	<p><a href="#">Cybersecurity and data protection</a> Strategic Review 2023-2028 - <a href="#">Technology and Innovation</a> <a href="#">Policy on the protection of the personal information of ADM customers</a></p> <p>ADM prioritizes the implementation of its information security mitigation plan, which must be adapted as the threat evolves. The cybersecurity program is reviewed annually by the Board of Directors. ADM management reports to the Board of Directors twice a year to monitor the progress of the cybersecurity mitigation action plan.</p> <p>In 2022, ADM updated its IT risk management framework to introduce improved processes for reporting, assessing, and tracking technology risks. Deployed in September 2022, the new solution provides a detailed record of key technology operational risks, and a more robust tracking.</p> <p>At the end of 2022, an internal audit was conducted to assess the design, implementation and operational effectiveness of the SAP system’s IT controls. The action plans resulting from the audit recommendations, which are mainly aimed at corrective measures concerning access management, will be implemented in the course of 2023.</p>
	418-1 Substantiated complaints concerning breaches of customer privacy and losses of customer data	<p>ADM did not detect or has not been made aware of any incidents involving the breach of customer data during 2022.</p> <p>No customer data protection complaints were received in 2022.</p> <p>The year 2022 marked an initial applicability milestone for Act 25 strengthening privacy protection. ADM has complied with these initial obligations.</p>
<b>Customer Experience</b>		
<b>Service Quality</b>	AO Management approach	<p>Customer experience is critical to an airport’s success. An airport that fails to deliver quality services could see a portion of its passenger traffic diverted to other airports or other modes of transportation. Passenger satisfaction is therefore at the heart of ADM’s concerns. Passenger expectations and needs are constantly changing. ADM must ensure that it responds to them, in collaboration with all the airport community partners (ref: <a href="#">indicator 2-6</a>).</p> <p><a href="#">Zone of strong turbulence</a> <a href="#">Sustainability Plan</a> <a href="#">Passenger Services</a> <a href="#">Travel with confidence</a> <a href="#">Unique experience for passengers</a></p> <p>Skytrax Product and Service Quality Certification Program Membership: <a href="#">Year at a Glance - November</a>. In addition to the external audit that is conducted every 2 years in the context of this program, ADM conducts internal audits on a quarterly basis.</p> <p>These internal audits, which target specific areas or services that are evaluated on a rotational basis, help update the scorecard of priority improvement initiatives.</p>







Standard	Indicator	Reference or answer
<b>Universal accessibility</b>		
<b>Provision of Services or Facilities for Persons with Special Needs</b>	G4-DMA Management approach	<p><u><a href="#">Accessibility of services</a></u></p> <p>YUL is subject to the requirements applicable to terminal operators under the Canadian Transportation Agency's Accessible Transportation for Persons with Disabilities Regulations. ADM ensures that it meets the requirements of the Regulations.</p> <p>ADM works with YUL's regulated airport community partners to achieve compliance. For example, ADM is working with Opsis Airport Services Inc. to provide a drop-off assistance service and to manage a shared-use wheelchair pool. With car rental companies and ground transportation providers, ADM works to provide accessible transportation alternatives for people with disabilities.</p> <p><u><a href="#">Accessibility for people with disabilities</a></u></p> <p>ADM monitors the regulatory compliance of its partners by deploying an audit and quality control process for personnel training.</p> <p>ADM will be tabling two new accessibility action plans that will cover actions over the 2023-2026 timeframe to improve YUL's service offerings and ADM's practices as an employer. These plans will enable ADM to meet its new regulatory obligations and will be informed by consultations with people with disabilities, including travellers passing through YUL and representatives of disability rights organizations. Prepared in close collaboration with K�eroul, these plans will also be enhanced following discussions between ADM and other Canadian airports through the Canadian Airports Council (CAC).</p> <p>ADM uses the services of K�eroul to conduct evaluations and provide recommendations on the accessibility of the YUL and YMX sites for various clienteles with disabilities in accordance with current standards and best practices in accessibility. In 2022, the organization was involved in the evaluation of the design plans for the future REM station at YUL, and the evaluation of the self-serve kiosks installed in the terminal building. K�eroul also prepared a report on the accessibility of air transportation in Canada, allowing ADM to understand its positioning among the major Canadian airports.</p> <p>ADM is in the process of obtaining Accessibility Enhancement Accreditation (AEA) from Airports Council International (ACI).</p> <p>Following two evaluation visits of the passenger routes carried out at the beginning of 2023 by representatives of K�eroul, YUL obtained the "accessible" rating. This certification is valid for a period of 5 years, until February 2028.</p>





# Management's Discussion and Analysis of Financial Results



## OVERVIEW

ADM Aéroports de Montréal is the airport authority of the Greater Montréal area responsible for the management, operation and development of YUL and YMX under a lease signed with Transport Canada in 1992 with a term ending on July 31, 2072.

As a not-for-profit corporation without share capital, ADM does not pay dividends. ADM is fully responsible for financing its capital investment programs and pays rent to Transport Canada based on a percentage of revenues.

## FINANCIAL SUMMARY

(in millions of dollars)	Cumulative as of December 31		
	2022	2021	Variance <sup>1</sup> (%)
<b>Revenues</b>	<b>\$ 652.1</b>	\$ 277.7	134.8
Salaries and benefits	\$ 71.3	\$ 52.4	36.0
Operating expenses	142.9	98.5	45.2
Payments in lieu of municipal taxes (PILT)	45.7	37.9	20.4
Transport Canada rent	68.3	25.3	170.0
Depreciation and impairment of property and equipment and right-of-use assets	160.4	162.6	(1.3)
Net financial expenses	119.1	132.8	(10.4)
<b>Total expenses</b>	<b>\$ 607.7</b>	\$ 509.5	19.3
<b>Excess (deficiency) of revenues over expenses before share in the results of joint ventures and income taxes</b>	<b>\$ 44.4</b>	\$ (231.8)	119.1
Share in the results of joint ventures	0.8	1.0	(21.4)
Income taxes	0.1	-	100.0
<b>Excess (deficiency) of revenues over expenses</b>	<b>\$ 45.3</b>	\$ (230.8)	119.6
<b>EBITDA<sup>2</sup></b>	<b>\$ 323.9</b>	\$ 63.6	409.2

<sup>1</sup> The % variances in this table are calculated with the results in thousands.

<sup>2</sup> EBITDA, a non-GAAP financial measure, is the excess of revenues over expenses before income taxes, net financial expense, depreciation and impairment and share in the results of joint ventures. See "Non-GAAP Financial Measures" section.

EBITDA, a non-GAAP financial measure (refer to section "Non-GAAP Financial Measures" for more information), is defined by ADM as the excess of revenues over expenses before income taxes, net financial expenses, depreciation and impairment and share in the results of joint ventures.

The following table presents the reconciliation of EBITDA with the excess (deficiency) of revenues over expenses:

(in millions of dollars)	2022	2021
Excess (deficiency) of revenues over expenses	\$ 45.3	\$ (230.8)
Depreciation and impairment of property and equipment and right-of-use assets	160.4	162.6
Net financial expenses	119.1	132.8
Share in the results of joint ventures	(0.8)	(1.0)
Income taxes	(0.1)	-
<b>EBITDA<sup>1</sup></b>	<b>\$ 323.9</b>	\$ 63.6

<sup>1</sup> EBITDA is a non-GAAP financial measure.

## HIGHLIGHTS

2022 got off to a difficult start. The emergence of a new variant associated with the COVID-19 pandemic led the Canadian government to reintroduce fairly strict border measures. However, by the spring of 2022, the health situation had improved, the measures were relaxed and ADM saw a sustained resumption of activity. As a result, overall passenger traffic in 2022 ended at almost 80% of the 2019 level. This translated directly into higher revenues while we continued limiting increases in operating costs related to passenger services.

### EBITDA

EBITDA stood at \$323.9 million for the year ended December 31, 2022, an increase of \$260.3 million, or 409.2%, compared to 2021. EBITDA as a percentage of revenues was 49.7% in 2022 compared to 22.9% in 2021.

### Investments

ADM investments in the airport program were \$88.3 million (\$46.6 million in 2021) and investments in the REM station totalled \$55.1 million (\$24.3 million in 2021). Grants, primarily from Transport Canada's Airport Critical Infrastructure Program (ACIP) in 2022, totalled \$75.4 million (\$19.1 million in 2021). At YMX, work focused on pavement rehabilitation. At YUL, the work included:

- Work on the REM station;
- The rehabilitation of runway 06L-24R;
- Pavement rehabilitation;
- The addition of a fifth X-ray CT scanner in the domestic/international baggage room;
- The replacement of the common use check-in and boarding platform.

During 2022, airport investments were funded by cash flow from operations and grants.

## REVENUES

(in millions of dollars)	2022	2021	Variance <sup>1</sup> (%)
Aeronautical activities	\$ 241.9	\$ 94.8	155.0
AIF	206.9	67.1	208.3
Parking and ground transportation	75.2	27.5	173.4
Concessions	54.6	35.7	53.1
Real estate and other	73.5	52.6	39.7
<b>Total revenues</b>	<b>\$ 652.1</b>	<b>\$ 277.7</b>	<b>134.8</b>

<sup>1</sup> The % variances in this table are calculated with the results in thousands.

Revenues totalled \$652.1 million in 2022, an increase of \$374.4 million, or 134.8%, over 2021.

### Aeronautical Activities

Revenues from aeronautical activities totalled \$241.9 million in 2022, an increase of \$147.1 million, or 155.0%, over 2021. Consisting mainly of landing and general terminal fees paid by airlines, these revenues accounted for 37.1% (2021: 34.1%) of total ADM revenues. This sharp increase is mainly attributable to the significant recovery in passenger traffic that began at the end of the first quarter of 2022, as well as increased aircraft movements.



## AIF

AIF revenues in 2022 totalled \$206.9 million, an increase of \$139.8 million, or 208.3%, over 2021. These revenues, which represent 31.7% (2021: 24.2%) of ADM's total revenues, are fully dedicated to funding airport infrastructure improvements and development, including principal and interest payments on long-term debt. AIFs are paid by all passengers departing from YUL, excluding connecting passengers. The increase is primarily due to the growth in passenger traffic, with a small impact from the rate change. The AIF rate increased from \$30 to \$35 per passenger on February 1, 2021.

## Parking and Ground Transportation

Parking and ground transportation revenues totalled \$75.2 million in 2022, an increase of \$47.7 million, or 173.4%, over 2021. These revenues accounted for 11.5% (2021: 9.9%) of ADM's total revenues. The increase in these revenues is primarily from parking and is directly attributable to the increase in activity that resulted in the reopening of all parking lots during 2022.

## Concessions

Concessions generated \$54.6 million in revenues in 2022, an increase of \$18.9 million, or 53.1%, over 2021. They represented 8.4% (2021: 12.9%) of ADM's total revenues. The increase in these revenues is also directly attributable to the higher level of passenger traffic, particularly for duty-free stores and restaurants.

## Real Estate and Other

Real estate and other revenues totalled \$73.5 million in 2022, an increase of \$20.9 million, or 39.7%, over 2021, and represented 11.3% (2021: 18.9%) of ADM's total revenues. These revenues are primarily derived from land, building and space leasing. The year-over-year growth is mainly the result of accounting gains for new land sublease contracts signed at YMX.

## EXPENSES

(in millions of dollars)	2022	2021	Variance <sup>1</sup> (%)
Salaries and benefits	\$ 71.3	\$ 52.4	36.0
Operating expenses	142.9	98.5	45.2
PILT	45.7	37.9	20.4
Transport Canada rent	68.3	25.3	170.0
Depreciation and impairment of property and equipment and right-of-use assets	160.4	162.6	(1.3)
Net financial expenses	119.1	132.8	(10.4)
<b>Total expenses</b>	<b>\$ 607.7</b>	<b>\$ 509.5</b>	<b>19.3</b>

<sup>1</sup> The % variances in this table are calculated with the results in thousands.

Total operating costs, including salaries and benefits and operating expenses, were \$214.2 million in 2022, an increase that was limited to \$63.3 million, or 42.0% over 2021, despite a strong recovery. This variance is primarily a reflection of higher operating expenses for passenger services due to the sustained recovery in operations since spring 2022 and the reduction in wage subsidies.

## Salaries and Benefits

Salaries and benefits increased by \$18.9 million, or 36.0%, in 2022, to \$71.3 million from \$52.4 million in 2021. This increase is due to the end of eligibility for government assistance programs related to the Canada Emergency Wage Subsidy and the Tourism and Hospitality Recovery Program at the end of the first quarter of 2022 compared to a full year in 2021, and to statutory increases and increased staffing levels related to the recovery of operations.



## Operating Expenses

Operating expenses were \$142.9 million in 2022, an increase of \$44.4 million, or 45.2%, over 2021. This variance is primarily due to additional operational expenses for passenger services as a result of the continued recovery of activities such as airside passenger transportation, those related to the passengers' journey through the terminal, parking services following the reopening of all lots, and the addition of shuttle buses serving them. AIF collection costs that are directly attributable to the growth in passenger traffic also contributed to the increase in operating expenses.

## Payments in lieu of municipal taxes (PILT)

PILT increased to \$45.7 million, \$7.8 million, or 20.4%, higher than the previous year. This increase is related to the increase in the property value of ADM's assets as well as revised estimates related to prior years.

## Transport Canada Rent

Rent to Transport Canada was \$68.3 million, an increase of \$43.0 million, or 170.0%, over 2021. This increase is directly related to the increase in ADM's revenues, as the rent is calculated as a percentage of ADM's revenues.

Transfers to governments, which include rent paid to Transport Canada and PILT, totalled \$114.0 million in 2022 and represented 17.5% of total revenues (\$63.2 million and 22.8%, respectively, in 2021).

## Depreciation and Impairment of Property and Equipment and Right-of-Use Assets

Depreciation and impairment of property and equipment and right-of-use assets totalled \$160.4 million in 2022, a decrease of \$2.2 million, or 1.3%, compared to the previous year, resulting mainly from assets fully depreciated in the current year.

## Net Financial Expenses

Financial expenses are presented net of financial income. These expenses decreased to \$119.1 million from \$132.8 million in 2021, a decline of \$13.7 million, or 10.4%. The variance in financial expenses is primarily due to higher interest rates on investments combined with a larger amount of available cash.

## Excess (Deficiency) of Revenues Over Expenses

The year ended December 31, 2022 resulted in an excess of revenues over expenses of \$45.3 million, compared to a deficiency of \$230.8 million for the year 2021.



## FINANCIAL SITUATION

ADM had \$723.3 million of net liquidity available as at December 31, 2022, compared to \$608.3 million as at December 31, 2021. This liquidity balance includes \$550.2 million in cash and cash equivalents (2021: \$417.9 million), and the increase was generated by operating activities. It also includes a credit facility for general use with an available balance of \$173.1 million (2021: \$190.4 million) net of the amount required for the operating and maintenance contingency fund of \$53.1 million (2021: \$37.0 million). The restricted debt service reserve fund of \$57.4 million (2021: \$56.5 million) is excluded from the net available liquidity balance.

ADM also has access to additional credit facilities totalling \$400 million to finance the costs of the airport REM station project, with completed work amounting to \$55.1 million in 2022 (net of the \$42.8 million ACIP grant). No amounts were drawn on these lines of credit as of December 31, 2022.

ADM's net debt as at December 31, 2022 was \$2.3 billion compared to \$2.5 billion as at December 31, 2021.

As at December 31, 2022, ADM is in compliance with the various financial covenants contained in the trust indenture.

## NON-GAAP FINANCIAL MEASURES

ADM's consolidated financial statements are prepared in accordance with International Financial Reporting Standards (IFRS). ADM references financial measures with no standardized meaning under IFRS, otherwise called non-GAAP financial measures. They are therefore unlikely to be comparable to similar measures used by other entities.

### EBITDA

EBITDA is defined as the excess of revenues over expenses before income taxes, net financial expenses, depreciation and impairment and share in the results of joint ventures. It is used by Management as an indicator to evaluate ongoing operating performance. EBITDA provides additional information and should not be used as a substitute for other performance measures prepared in accordance with IFRS.

### Net Liquidity

Net liquidity is defined as the sum of cash and cash equivalents, and the available balance on ADM's credit facility for general use (excluding the debt service reserve fund and the operating and maintenance contingency fund).

### Net Debt

Net debt is defined as the difference between the gross balance of long-term debt, including lease liabilities, and the amount available in cash and cash equivalents, as well as in the debt service reserve fund.

## FINANCIAL OUTLOOK FOR 2023

By the last quarter of 2022, ADM had returned to over 90% of its pre-pandemic passenger traffic, despite a slightly different distribution of this traffic. We expect this level of traffic to be maintained relative to pre-pandemic levels in 2023. Current trends suggest that international passenger traffic could return to 2019 levels, while transborder and domestic traffic are expected to be around 90% and more than 80% of 2019 levels, respectively.

The global economy, which has been shaken by repeated shocks, slowed down in early 2023. The impact on travellers remains uncertain for the time being, but must be taken into account. ADM has therefore adopted a prudent approach to accompany the recovery of air traffic, with reduced ambitions in the short term, but still offering operational excellence to be the best international airport possible in the post-COVID-19 crisis.

Planned capital expenditures for 2023 are estimated at more than \$400 million (net of grants) and, in addition to a sustained program of asset maintenance, include the rehabilitation of runway 06L-24R at YUL, work to complete the P4 parking structure, baggage rooms and innovation technology projects, and continued work on the airport's REM station.

ADM has access to sufficient sources of liquidity to meet its financial obligations and planned investments.

## IFRS STANDARDS

The International Accounting Standards Board has issued new standards and amendments to current standards that are mandatory but only effective January 1, 2023. ADM does not expect the new standards and amendments to existing standards issued but not yet effective to have a material impact on its consolidated financial statements, see note 1(u) to ADM's consolidated financial statements.





## RISK MANAGEMENT

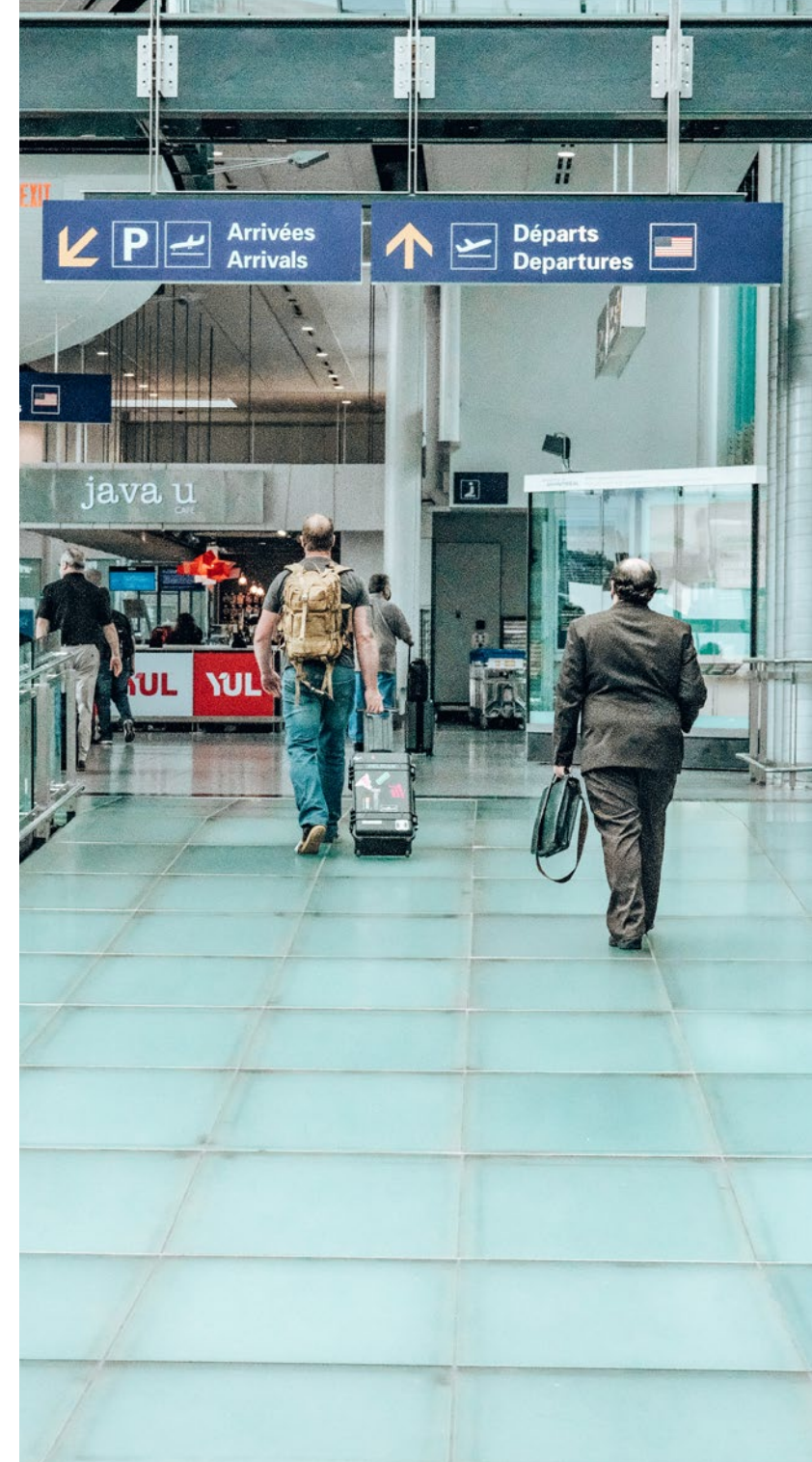
ADM's integrated risk management and control systems contribute to manage the Corporation's activities and achieve its objectives. ADM's Enterprise Risk Management Policy supports management's governance responsibilities by ensuring that areas of high risk in the Corporation's activities are identified, appropriate responses are agreed and mitigating actions are taken to reduce adverse effects while taking advantage of attractive opportunities.

Integrated risk management is a dynamic and iterative process that is integrated into ADM's operations, including:

- Oversight by the Board of Directors;
- The leadership provided by senior management;
- Consistency in the development of ADM's strategic plans and the YUL and YMX site master plans;
- Coverage of issues related to relatively relevant environmental, social and governance (ESG) criteria;
- Identifying responsible parties and assigning goals to the various areas and managers involved;
- Establishment of operating budgets, investment programs and allocation of human resources;
- Integration into day-to-day operations and activities and project implementation.

The most appropriate risk responses should be identified based on the potential benefits versus the costs, efforts and drawbacks of implementing them. The enterprise risk register indicates the angle from which the risk should be addressed, either to investigate the risk further to better assess it, to conduct a risk watch, or to take action to mitigate the risk.

During 2002, the organization continued to improve its risk management processes, including the formal implementation of a new directive. This describes the coordinated activities aimed at identifying the various issues and implementing the possible mitigating measures for each risk so that it reaches an acceptable level according to ADM's risk tolerance level.



## Evaluation and Monitoring

The organization conducts structured exercises to analyze key business risks in order to identify, prioritize and address them, and to track the response plans assigned to each manager. This approach is based on the Integrated Risk Management Policy, which defines the processes and the role of each stakeholder, including managers and members of the Management Committee, to ensure effective and consistent application across ADM.

Risks are assessed according to their frequency and their potential impact on ADM's overall performance. Impact is measured according to the consequence of the occurrence or materialization of a risk, whether it is financial, reputational, operational, safety-related or concerns the achievement of strategic objectives. In line with strategic planning, the risk assessment horizon is five years.

The risk map, which is updated annually, is subject to review and approval by the Board of Directors. Residual risks that ADM considers to be critical or serious, depending on their impact and likelihood of occurrence, taking into account mitigating measures in place, require monitoring or attention by the Board of Directors. They are subject to specific oversight by one of the committees concerned, according to their areas of responsibility.

Scenarios specific to ESG topics, including the physical and transitional impacts of climate change, are listed in the register. The assessment of some of the inherent risk scenarios was used as input to the most recent [ESG materiality matrix](#).

## Sector Systems

Because of the nature of its business, applicable laws and regulations, and other obligations with which ADM must comply, some of the organization's sectors integrate a comprehensive risk management system into their activities. These are supported by specific frameworks: Environmental Policy and its Environmental Management System (EMS); Safety Management System (SMS) Policy and Safety Management System Plan; Information Security Policy and Technology Risk Management Directive. The resulting risk assessment tools are developed in a consistent manner with integrated enterprise risk management. The alignment of the resulting assessments with those of the integrated risk management is ensured by the relevant teams.





## Adaptation and Resilience to Climate Change

As with the management of other ESG topics, the management of climate change risks and opportunities is part of a continuous improvement process that is meant to be integrated into ADM's existing processes. The organization has taken initial steps to comply with the recommendations of the Task Force on Climate-related Financial Disclosures (TCFD). The following report summarizes efforts to date to prepare the organization for climate change and the transition to a lower carbon economy.



The management of climate change risks and opportunities is part of a continuous improvement process that is meant to be integrated into ADM's existing processes.

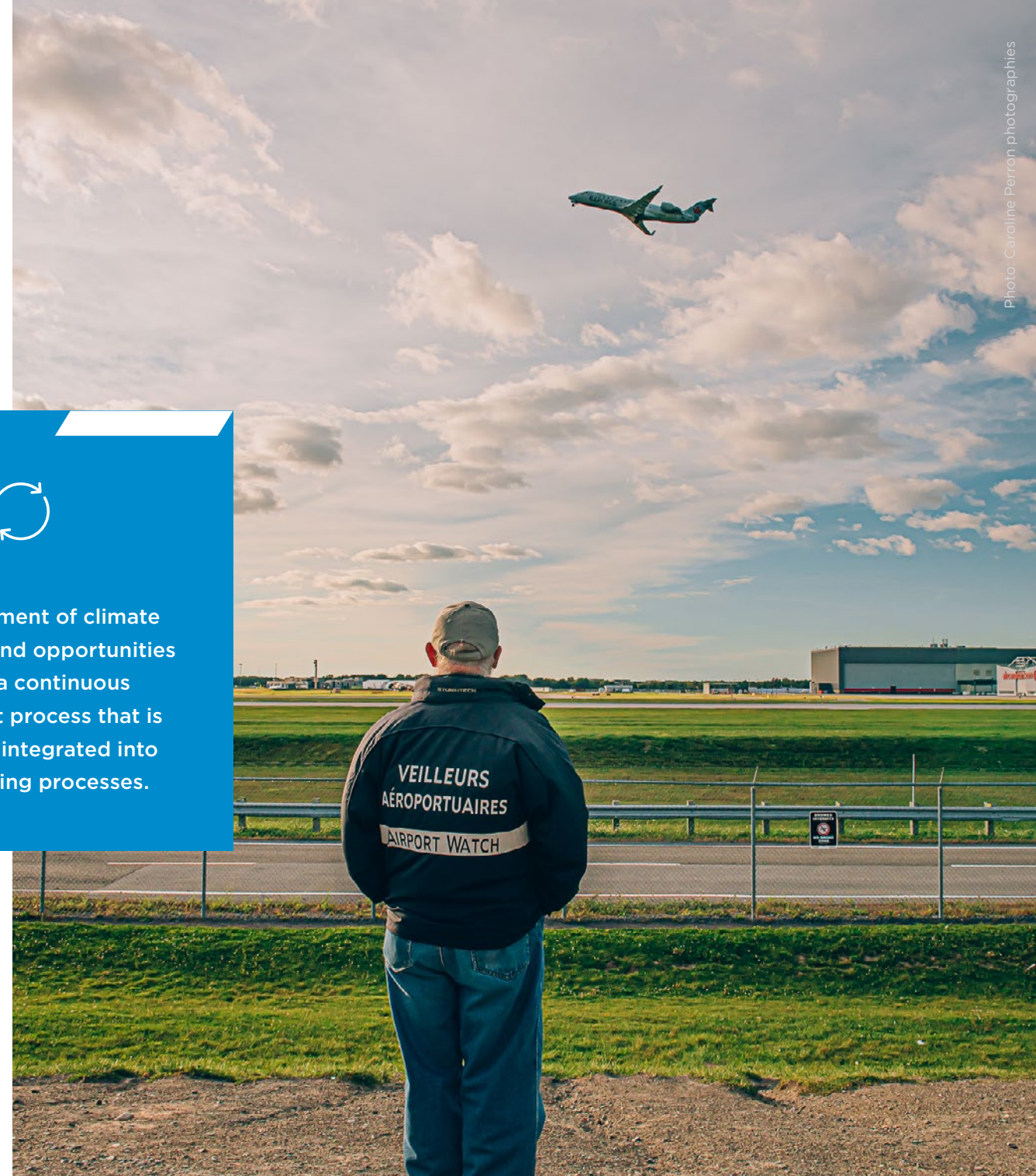


Photo: Caroline Perron, photographies





# TCFD DISCLOSURE FRAMEWORK

Governance   Organization’s governance around climate-related risks and opportunities.	
<p><b>G.a)</b> The Board’s oversight of climate-related risks and opportunities.</p>	<p><a href="#">Risk Management</a> <a href="#">Audit and Risk Management Committee</a> <a href="#">Development and Innovation Committee</a></p> <p>ADM management will report to the Board on the results of the analysis and the mitigation plan that will be implemented as a result of the comprehensive assessment of the physical climate-related risks to which the organization is exposed (see indicator TCFD-RM.a).</p>
<p><b>G.b)</b> Management’s role in assessing and managing climate-related risks and opportunities.</p>	<p>Delegation of responsibilities to management: see <a href="#">GRI Index indicator 2-13</a>. <a href="#">Risk Management</a></p> <p>ADM management has reviewed the findings of the initial analysis of the vulnerability of the infrastructure and operations of the YUL and YMX sites to the physical impacts of climate change (see indicator TCFD-RM.a). The adaptation plan to mitigate these physical risks will be the subject of an evaluation.</p>
Strategy   The actual and potential impacts of climate-related risks and opportunities on the organization’s businesses, strategy and financial planning where such information is material.	
<p><b>S.a)</b> The climate-related risks and opportunities the organization has identified over the short, medium, and long term.</p>	<p>According to the comprehensive physical climate change risk assessment that was completed in 2022, the most likely and material climate change risk scenarios were addressed in the most recent update of the corporate risk register, which are:</p> <p><b>Physical Risks</b></p> <p>Acute: Operational disruptions (e.g., <a href="#">Year at a Glance - December</a> ; flight cancellations at YUL, YMX or destination; increased insurance premiums; high winds, icy surfaces, <a href="#">flooding and inadequate drainage capacity</a> .</p> <p>Chronic: insufficient runway length at take-off due to heat; freeze/thaw cycles that stress infrastructure conditions; increased use of de-icing products; increased de-icing and snow removal operations; water accumulation and seepage; periods of extreme heat for workers or users (e.g., <a href="#">Year at a Glance - July</a> ; longer and more frequent lightning warnings (e.g., <a href="#">Year at a Glance - June</a> ; changes in aircraft flight paths; and increased bird hazards.</p> <p><b>Transition Risks</b></p> <p>Policy and Legal: Carbon pricing with a price effect on airline tickets; information disclosure requirements; GHG emission reduction obligations.</p> <p>Technology: Replacement or addition of equipment or infrastructure; difficulties in supplying discontinued goods.</p> <p>Market: Decreased travel intentions or modal shift; macroeconomic disruptions; increased procurement costs.</p> <p>Reputation: Decreased access and increased cost of capital; poor perception of the air travel industry; attraction of talent.</p>



# Management’s Discussion and Analysis of Financial Results

	<p><b>The main opportunities identified to date are through:</b></p> <p>Resource efficiency: Energy efficiency in the optimization of consumption and the design of new buildings; residual material management; reduction of energy demand for heating.</p> <p>Energy source: Reducing natural gas consumption and switching to clean energy; reducing peak electricity consumption.</p> <p>Markets: Use of government support programs; participation in influencing or research and development partnerships; influencing the supply chain.</p> <p>Adapting services: Replacing or introducing new equipment or infrastructure that responds to the energy transition; ensuring thermal comfort for users; access modes and intermodality.</p> <p>Resilience: Selection of more resilient equipment or the design of more resilient infrastructure; adoption of operational and maintenance adaptation strategies; implementation of the net zero emissions plan.</p> <p>See <a href="#">GRI indicators 305</a> and <a href="#">306 in the GRI index</a>.</p>
<p><b>S.b)</b> The impact of climate-related risks and opportunities on the organization’s business, strategy, and financial planning.</p>	<p><b>Impact of Physical Risks</b></p> <p>The initial climate hazard review and impact analysis found that the organization already has a good level of resilience to climate-related physical risks. Specifically, the analysis found that the impact of climate hazards would be financially immaterial to ADM in terms of incremental costs through 2050.</p> <p>With respect to the potential impact of weather events on service continuity and personal safety at YUL and YMX, it should be noted that ADM and its airport community partners have the expertise to operate within the context of winter conditions observed in the Greater Montréal area. Although the climate profile projections indicate that some weather events will become more severe or more frequent at YUL and YMX, the majority of the risk scenarios originally associated with status quo weather conditions remain at the same level of assessment.</p> <p>Energy demand is expected to decrease in winter, as average winter temperatures are expected to be milder. On the other hand, air conditioning demand will be higher in summer.</p> <p><b>Impact of Transition Risks</b></p> <p>The transition to a lower carbon economy could result in additional costs for airlines, which would be reflected in the price of airline tickets. On the other hand, some individuals or companies will want to reduce the carbon footprint associated with their travel or that of their employees. Both phenomena would reduce air travel demand during the industry’s transition period. This is the most significant transition risk facing ADM, while the other transition risks do not appear to have a material impact based on mitigation measures and plans. Additional analysis, including a scenario-based assessment approach, will be conducted in the coming years to better understand and assess the potential impact of this risk on ADM’s operations and business decisions.</p>
<p><b>S.c)</b> The resilience of the organization’s strategy, taking into consideration different climate-related scenarios, including a 2°C or lower scenario.</p>	<p>Due to the geographic location of the YUL and YMX airport sites, the management of regular operations is based on weather conditions specific to the Greater Montréal area. The impact of the physical effects of climate change is therefore mitigated within the organizational processes and structures already in place.</p> <p>With regard to the market risk to which ADM may be exposed, airport development plans are designed using a modular approach, which allows to adjust the level of investment according to different air traffic forecast scenarios.</p>



<b>Risk Management</b>   How the organization identifies, assesses, and manages climate-related risks.	
<p><b>RM.a)</b> The organization’s processes for identifying and assessing climate-related risks.</p>	<p><b>Risk Management</b></p> <p>In 2022, ADM conducted a vulnerability analysis of the infrastructure and operations of the YUL and YMX sites to the physical impacts of climate change. The process, which took place over a year, involved more than 30 people from ADM’s teams and its partners. More than 70 meetings were held and nearly a dozen climate hazards were considered for the purposes of this study. ADM’s infrastructure and activities were analyzed to identify those most at risk and in need of adaptation. The main climate hazards considered in this comprehensive physical risk assessment are: extreme heat, severe winter weather, fog or mist, blowing snow, short-duration heavy rainfall, high winds, thunderstorms and lightning, and drought.</p> <p>More than 200 risk scenarios were identified for the main infrastructure and operations of the YUL and YMX sites.</p> <p>The methodology used was based on ISO 31000 for risk management and ISO 14090 and 14091 for adaptation to climate change. The analyses were based on the corporate memory of ADM employees to identify climate risks and assess the impact of these risks.</p> <p>The assessment elements retained for this exercise were: structural integrity, to assess the physical impact of the climate hazard on the elements of the structure or equipment; functionality, to assess the impact on the infrastructure and activities to provide the service for which they exist; operational resources, to assess the impact on human and physical resource requirements; and health and safety, to assess the impact on the safety of workers and users.</p> <p>The summary assessment of financial impacts focused on the additional costs of: snow and ice removal (equipment, products); road maintenance and marking; and mitigating the effects of extreme heat.</p>
<p><b>RM.b)</b> The organization’s processes for managing climate-related risks.</p>	<p><b>Risk Management</b></p> <p>Most of the climate change risk scenarios identified in the Corporation’s risk register are accompanied by a response plan that is limited to monitoring, as the controls and mitigation measures in place are considered sufficient. Nearly 10 climate risk scenarios require further investigation by ADM to better understand and assess their impact. These are mainly transition risks. Finally, some of the risk scenarios listed in the register, in most cases related to climate hazards, are accompanied by action plans to mitigate them.</p>
<p><b>RM.c)</b> How processes for identifying, assessing, and managing climate-related risks are integrated into the organization’s overall risk management.</p>	<p>The enterprise risk register and the supporting update exercise are intended to address risk scenarios in a relatively macroscopic manner to provide a holistic view for the organization. In the context of climate change, there was a need for a more comprehensive sectoral analysis of the vulnerability of the infrastructure and operations at YUL and YMX to the physical impacts of climate change (see indicator TCFD-RM.a). Many adaptation measures were identified for the two airport sites, such as the integration of climate change considerations into infrastructure design. This analysis led to the development of an initial climate change adaptation plan for the two airport sites. The five-year action plan will be implemented in 2023. The teams involved in the two different exercises ensured that the assessment was well coordinated.</p>





Metrics and Targets   The metrics and targets used to assess and manage relevant climate-related risks and opportunities where such information is material.	
<p><b>MT.a)</b> The metrics used by the organization to assess climate-related risks and opportunities in line with its strategy and risk management process.</p>	<p>The assessment of each risk identified in the organization’s risk register is based on five levels of assessment criteria described in two grids relating to the likelihood of the risk materializing; the impact of a risk materializing (financial, reputational, operational, security, achievement of strategic objectives).</p> <p>The same assessment grids have been used to conduct the comprehensive vulnerability analysis for physical impacts (see indicator TCFD-RM.a).</p> <p>The vulnerability analysis is based on the highest greenhouse gas concentration pathway scenario identified by the IPCC, RCP 8.5. A climate profile specific to YUL and YMX was then developed by the consultant hired to assist ADM with this analysis.</p>
<p><b>MT.b)</b> Greenhouse gas (GHG) emissions.</p>	<p>See <a href="#">indicators 305-1, 305-2, 305-3 and 305-4</a> of the GRI index.</p>
<p><b>MT.c)</b> The targets used by the organization to manage climate-related risks and opportunities and performance against targets.</p>	<p><a href="#">ADM’s Sustainability Plan</a></p> <p>See <a href="#">indicator 305</a> of the GRI index.</p>





WELCOME MTL BONJOUR MTL

BON VOYAGE  
ÇA COMMENCE À MAL... COMMENCE À BIEN.

# Governance Report





## MEMBERS OF THE BOARD OF DIRECTORS



**Danielle Laberge**  
Chair of the Board

Professor Emeritus,  
Université du Québec à  
Montréal



**Hélène V. Gagnon**  
Vice chair of the Board

Chief Sustainability Officer  
and Senior Vice President,  
Stakeholder Engagement,  
CAE



**Yves Beauchamp**  
Director

Chair, Infrastructure Projects  
Analysis and Evaluation  
Committee  
Vice-Principal, Administration  
and Finance, McGill University



**Marc G. Bruneau**  
Director

Executive Vice President  
and Partner, WhiteHaven  
Securities Inc.



**Alain Côté**  
Director

Chairman of the Audit and  
Risk Management Committee  
Corporate Director



**Yves Dufresne**  
Director

Corporate Director



**Mélanie Kau**  
Director

Chair of the Governance  
and Social Responsibility  
Committee  
Corporate Director



**Stéphanie Lachance**  
Director

Partner and Head of  
Sustainable Investment,  
Fiera Comox



**Robert Lefebvre**  
Director

Corporate Director



**Ann MacDonald**  
Director

Chair, Development and  
Innovation Committee  
Chief Operating Officer,  
BONE Structure



**Marie-Hélène Nolet**  
Director

Chief Operating Officer,  
Desjardins Capital



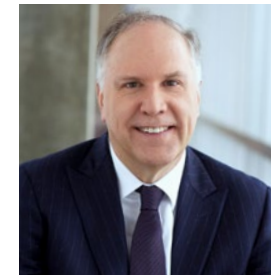
**Eve Paré\***  
Director

Executive Director, ADISQ



**Imen Zitouni**  
Director

Senior Vice-President and  
Chief Digital Officer, Intact  
Financial Corporation



**Philippe Rainville**  
Director

President and Chief  
Executive Officer,  
Aéroports de Montréal

\*Appointed February 2, 2023





# GOVERNANCE REPORT

## Corporate Governance Practices

Although not subject to the governance rules that regulate public companies, ADM complies with the disclosure and governance practices required of public companies, adapting them to its status as a corporation without share capital. For more information, visit [admtl.com](https://admtl.com).

## Board of Directors

The Board of Directors is responsible for managing ADM.

It exercises full authority and power and executes all actions that ADM is authorized to take according to the law and ADM's articles and by-laws, unless the law or the articles and by-laws require that they be exercised by ADM's assembly of members.

The Board of Directors assumes responsibility for corporate governance and accountability to ADM's governing bodies. The Board of Directors is currently composed of 13 directors, 2 of whom are appointed by the Government of Canada.

In accordance with the public accountability principles for Canadian airport authorities and with its by-laws, four nominating entities are called upon to submit, upon request, the names of three candidates whose profiles match the qualifications being sought by the Board for each position to be filled. These nominating bodies are the Government of Québec (one position), the Communauté métropolitaine de Montréal (five positions), the Chamber of Commerce

of Metropolitan Montréal (three positions) and the major carriers doing business with YUL (two positions). The President and CEO is a de facto director of ADM and the Board may appoint an additional director.

Under ADM's by-laws, directors must meet very specific criteria, including:

- Being a Canadian citizen or a permanent resident of Canada and having their primary residence in Québec;
- Not being an active elected official or an active employee of a municipality, nominating agency or air carrier;
- Being independent, which includes not being a shareholder of any company in which ADM has an interest or having any interest that could be perceived as interfering with their ability to act in the best interests of ADM.

In addition, collectively, the members of the Board of Directors must possess a set of key competencies that the Board needs to perform its duties. When appointing a new member, his or her skills are analyzed to make sure that the new member satisfies the requirements to ensure ADM's interests are met.

The director's term is a maximum of 3 years and is renewable on condition that the total duration of mandates entrusted to the director does not exceed 9 years or, by derogation of the foregoing, does not exceed 12 years.

The Board met 13 times in 2022. The most important aspects of ADM's strategic plan were addressed by its members,

who also ensured that the organization's mission and vision statements were met. During the year, the Board reviewed a number of the organization's policies and continued to monitor enterprise risk management. At the beginning of the year, the COVID-19 pandemic and its significant impact on the organization remained important issues for the Board, which also had to evaluate passenger volume recovery scenarios. During the summer, the Board addressed the impact of the recovery. In addition to monitoring the REM file, the Board awarded the contract for the construction of the YUL station. It also monitored major contracts and infrastructure projects, paying particular attention to sustainable development.

The Board is also kept informed of all of ADM's major concerns, both through reporting on certain topics and through briefing notes that are updated at each meeting.



### Competencies of Members of the Board

	Management	Finance	Governance	Construction/ Major Project Management	Commercial Aviation	HR and Labour Relations	Sustainable Development	Information Technology	Communications and Public Affairs	Customer Experience	Real Estate Development
Yves Beauchamp	●			●							●
Marc G. Bruneau	●	●								●	
Alain Côté	●	●	●								
Yves Dufresne	●				●				●		
Hélène V. Gagnon					●		●		●		
Mélanie Kau			●			●				●	
Danielle Laberge	●		●			●					
Stéphanie Lachance	●		●				●				
Robert Lefebvre	●		●	●							
Ann MacDonald	●		●	●							
Marie-Hélène Nolet		●	●						●		
Eve Paré			●				●		●		
Philippe Rainville	●	●								●	
Imen Zitouni	●							●		●	

- Primary skill
- Secondary skills

## Ethics

In accordance with its lease with Transport Canada, ADM has adopted conflict-of-interest rules and ethics guidelines in its by-laws that are applicable to its directors, officers and employees and are designed to prevent any real or perceived conflict of interest. Members of the Board of Directors are subject to these guidelines and must, in the performance of their duties, respect the obligations imposed by law, ADM's by-laws and the policies, directives and standards issued by the organization from time to time. They must act within the limits of their authority, in the best interests of ADM and in accordance with the highest standards of honesty and loyalty.

In addition, directors must disclose at a meeting of the Board of Directors the facts, nature and extent of any conflicts that may arise, directly or indirectly, between their duties and interests with respect to ADM and their duties and interests with respect to the holding of any other office or the ownership of any property.

In 2022, ADM complied with conflict-of-interest rules and ethics requirements.

## Audit and Risk Management Committee

The Audit and Risk Management Committee plays an essential role in the sound financial management of ADM, including oversight of (i) the quality, integrity and disclosure of financial information, (ii) internal controls and (iii) internal and external audits.

It ensures that the Board is provided annually with an analysis of the hierarchy of business risks, the assessment of the likelihood of their occurrence, the overall impact of these risks and the residual impact after implementation of mitigation measures. It recommends the enterprise risk management policy to the Board for approval. It ensures that environmental, social and governance (ESG) criteria are integrated into the contractual agreements, financial communications and financing of ADM for which it is responsible, in accordance with the sustainable development objectives approved by the Board of Directors.

More specifically, the Audit and Risk Management Committee reviews and recommends for Board approval the annual budgets and the quarterly and annual financial statements. It recommends any form of financing required by ADM. It ensures that effective financial controls and reporting procedures are in place. It ensures the integrity of ADM's financial reporting, its compliance with applicable accounting standards and ADM's compliance with its obligations under its lease, regulations and any financing platform. Other responsibilities include the external audit plan, the appointment of the external auditors, management certification, contract awards requiring Board approval and revenue contracts, as well as policies on the procurement of goods and services, the awarding of revenue contracts, and the independence of the external auditor. In addition, the Audit and Risk Management Committee establishes an annual internal audit program, ensures its execution and reviews the report.

With respect to pension plans, the Committee ensures that the related objectives and strategies are established and approved, that sound governance is in place, and that transparent communications are maintained with stakeholders, including the Pension Committee. In doing so, it prepares decision-making files related to the pension plans and, more specifically, regarding the governance plan, plan rules, financial management (investment and capitalization) and compliance. It periodically reviews ADM's insurance program. Finally, the Audit and Risk Management Committee receives regular reports on the application of the security management system and airport security issues, and ensures that business continuity plans are in place.

The Audit and Risk Management Committee is composed of: Alain Côté (Chair), Marc G. Bruneau and Marie-Hélène Nolet.





## Development and Innovation Committee

The Development and Innovation Committee supports the Board of Directors on issues related to the environmental component of sustainable development (greenhouse gas reduction, energy efficiency, optimization of residual material management, biodiversity recovery and protection, protection of surface and ground water, reduction of drinking water consumption, resilience to the effects of climate change). The Committee also supports the Board in the approval and follow-up of the five-year capital program and in the alignment of infrastructure projects with the master plan. In addition, the Committee supports the Board on issues related to governance and information technology development. Finally, the Committee ensures that ADM is at the forefront of its field of business and sees to the adoption of innovative practices in sectors deemed to be priorities, particularly with respect to sustainable development and the use of information technology to enhance the customer experience.

The members of the Development and Innovation Committee are: Ann MacDonald (Chair), Yves Beauchamp, Hélène V. Gagnon and Imen Zitouni.

## Governance and Social Responsibility Committee

The Governance and Social Responsibility Committee supports the Board of Directors in matters of governance and ethics. It focuses on aspects of social responsibility

that are priority areas of intervention related to the social component of sustainable development (relations with communities, stakeholders and political authorities, soundscape management, responsible procurement, employee experience, customer experience, service culture). In addition, the Governance and Social Responsibility Committee reviews, approves and recommends the adoption of policies, practices and programs related to human resources management, including those related to succession planning, total compensation for senior management and employees, and occupational health and safety (both within ADM and on construction sites).

Specifically, the Committee assists the Board and reports periodically to the Board on the results of its work, including issues relating to (i) governance, including ADM's governance practices, the Board's operations and size, the selection criteria for directors, the communication and consultation process with nominating bodies, director compensation, the code of ethics and the whistleblower policy; (ii) communications and public affairs, ensuring that these policies and strategies are suitable for maintaining ADM's credibility and good reputation among its stakeholders; and (iii) human resources, including global compensation policies and programs, the annual salary policy, as well as the job description, compensation and performance evaluation of the President and Chief Executive Officer. In this capacity, it recommends to the Board of Directors the adoption of the annual objectives of the President and Chief Executive Officer and is informed of the annual objectives of all members of the ADM Management Committee.

It is responsible for establishing an appropriate and periodic process for evaluating the performance of the Board of Directors, its committees and its members. To this end, the Committee will proceed on an alternating basis, one year by means of individual interviews of all directors with the Committee Chair, and the other year by means of a written questionnaire. This evaluation covers the following topics: the responsibilities of the Board, the functioning of the Board, the performance of the Board, the performance of the committees, the performance of the Chair of the Board, and other issues or comments.

The Governance and Social Responsibility Committee is composed of the following directors: Mélanie Kau (Chair), Yves Dufresne, Stéphanie Lachance and Eve Paré.



## Infrastructure Projects Analysis and Evaluation Committee

The Infrastructure Projects Analysis and Evaluation Committee of the Board of Directors is a joint committee composed of ADM directors and external experts. Its role is to review and recommend, for approval by the Board, infrastructure maintenance and development projects that require a technical analysis or a complex evaluation, including their technical aspects, management model, integration of sustainable development objectives, implementation schedule and budget. It monitors the budget for infrastructure maintenance and development projects approved by the Board, regularly reviews their execution and the risks associated with their implementation, and reports periodically to the Board. It also provides appropriate and timely advice to ADM management.

The members of the Infrastructure Projects Analysis and Evaluation Committee are: Yves Beauchamp (internal member and Chair), Robert Lefebvre (internal member), Alain Bonnot (external expert member), and Réal Laporte (external expert member).

## Community Advisory Committee

The Community Advisory Committee supports the management of ADM. Its mandate is to submit, when required, pertinent observations regarding any project or decision affecting the subjects mentioned in the ADM by-laws. The Community Advisory Committee is composed of members from organizations that share an interest in

airport development and that represent the various regions of Greater Montréal. The Committee reports annually to the Board of Directors. The operating budget of the Community Advisory Committee is determined annually by the Board of Directors. Members are appointed for a three-year renewable term. In 2022, the Community Advisory Committee met twice and discussed major issues facing ADM. Specifically, the Committee considered conditions for the recovery of air travel and sustainability priorities.

The Community Advisory Committee is chaired by Denis Leclerc, President and CEO of Écotech Québec, and is composed of representatives from the following organizations:

- Aéro Montréal
- Association of Travel Agents of Québec
- Chamber of Commerce of Metropolitan Montréal (CCMM)
- Chamber of Commerce and Industry of Saint-Laurent-Mont-Royal
- City of Dorval
- City of Mirabel
- City of Montréal
- Conseil du patronat du Québec
- Earth Day (Québec)
- Écotech Québec<sup>1</sup>
- ESG UQÀM
- FADOQ
- FondAction
- Hotel Association of Greater Montréal (AHGM)
- Institut de tourisme et d'hôtellerie du Québec (ITHQ)
- Junior Chamber of Commerce of Montréal
- Kéroul
- Mirabel Chamber of Commerce and Industry
- Montréal international
- MtLab
- Palais des congrès de Montréal
- Polytechnique
- Québec Manufacturers and Exporters (MEQ)
- Regroupement des événements majeurs internationaux (RÉMI)
- Tourisme Montréal
- Trajectoire Québec
- West Island Chamber of Commerce

<sup>1</sup> Chair.

## Compensation of directors in 2022

	Attendance					Compensation		Total
	Board of Directors	Audit and Risk Management Committee	Development and Innovation Committee	Governance and Social Responsibility Committee	Infrastructure Projects Analysis and Evaluation Committee	Retainers	Fees	
Yves Beauchamp	13	–	5	–	5	\$ 65,332.82	\$ 41,500.00	\$ 106,832.82
Marc G. Bruneau	12	6	–	–	–	\$ 40,332.82	\$ 24,750.00	\$ 65,082.82
Alain Côté	12	6	–	–	–	\$ 50,332.82	\$ 24,750.00	\$ 75,082.82
Yves Dufresne	11	–	–	6	–	\$ 40,332.82	\$ 23,250.00	\$ 63,582.82
Hélène V. Gagnon	13	–	4	–	–	\$ 45,332.82	\$ 22,500.00	\$ 67,832.82
Mélanie Kau	13	–	–	7	–	\$ 50,332.82	\$ 26,250.00	\$ 76,582.82
Danielle Laberge	13	6	5	7	5	\$ 185,384.07	–	\$ 185,384.07
Stéphanie Lachance <sup>1</sup>	1	–	–	1	–	\$ 4,151.56	\$ 5,250.00	\$ 9,401.56
Robert Lefebvre	13	–	5	–	5	\$ 50,332.82	\$ 41,500.00	\$ 91,832.82
Ann MacDonald	12	–	5	–	–	\$ 50,332.82	\$ 22,500.00	\$ 72,832.82
Marie-Hélène Nolet	13	6	–	–	–	\$ 40,332.82	\$ 25,500.00	\$ 65,832.82
Philippe Rainville	12	5	5	6	5	–	–	–
Louise Roy <sup>2</sup>	13	–	–	6	–	\$ 40,332.82	\$ 25,500.00	\$ 65,832.82
Imen Zitouni <sup>3</sup>	4	–	–	–	–	\$ 10,204.69	\$ 5,250.00	\$ 15,454.69
<b>Total</b>						\$ 673,068.52	\$ 288,500.00	\$ 961,568.52

<sup>1</sup> Effective December 15, 2022

<sup>2</sup> Term ended December 16, 2022

<sup>3</sup> Effective October 27, 2022





## Management Committee



**Philippe Rainville**  
President and Chief Executive Officer



**Sylvain Choinière**  
Vice President  
Legal Affairs and Corporate Secretary and Vice President Real Estate



**Myrrha Dubé**  
Vice President  
Human Capital



**Aymeric Dussart**  
Vice President  
Technology and Innovation



**Stéphane Lapierre**  
Vice President  
Airport Operations and Services Development



**Ginette Maillé**  
Vice President  
Finance and Administration and Chief Financial Officer



**Martin Massé**  
Vice President  
Public Affairs and Vice President Sustainable Development



**Chantal Sorel**  
Vice President  
Airport Infrastructure



**Philippe Stas**  
Vice President  
Business Services and Operations

## Executive compensation

The annual salaries of the President and other current members of the Management Committee range from \$215,000 to \$536,000. In addition, \$1.199 million were paid as performance bonuses.

## Directors who are board members of a “reporting issuer”

Mélanie Kau, Alimentation Couche-Tard Inc.;  
Alain Côté, Goodfellow inc.





# Strategic Review 2023-2028

## From “successful growth” to “successful recovery”

In the fall of 2002, ADM’s executive team met for a two-day strategic retreat. The retreat took place at a time when the recovery in the airline industry had come abruptly and the summer had demonstrated the difficulties of revitalising an industry such as the one in which ADM operates. The purpose of the discussions was to align the organization to meet the needs of its various customers in a context of recovery from the crisis and then a return to normalcy.

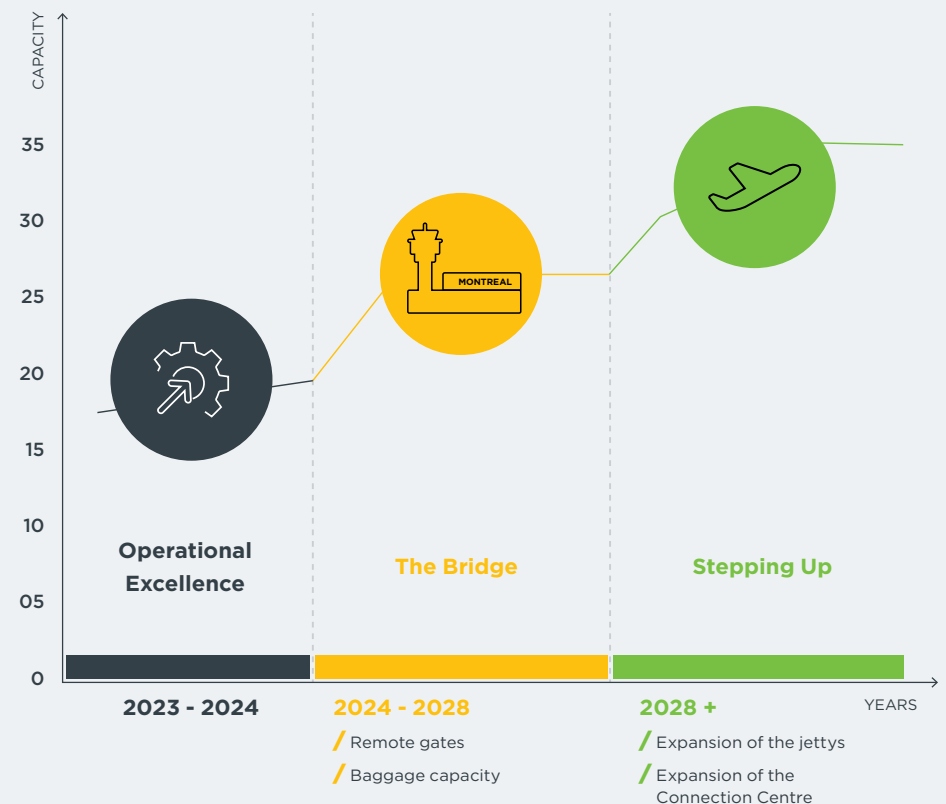
Five years after its “Successful Growth” theme - the challenge of responding to the continuing increase in the number of travellers - ADM has set itself the more modest goal of successful recovery. Faced with a financial capacity that will be burdened by the pandemic for a number of years and a financial environment that could deteriorate, investments are being reviewed and targeted.

The approach adopted, and subsequently presented and approved by the Board of Directors, is to support the recovery of air transport by adapting projects to changing needs. Ambitions have been reduced, at least in the short term, but ADM will be proud to give Montréal the best possible international airport in the post-crisis era.

To achieve a successful recovery and return to a growth trajectory supported by resilient demand, ADM envisages a three-phase period between now and 2035.

Operational Excellence, in the short term (2-3 years), is the successful restart of operations, with only critical and necessary works being carried out. The Bridge, in the medium term (3-5 years), would see the start of initial capacity expansion work in anticipation of aggressive growth. Subsequently, Stepping Up, in the longer term (5 years+), would return YUL to a more ambitious vision with larger scale work.

## DESTINATION 2035





## Background: the Aviation Context

By the end of 2022, YUL had returned to over 90% of its pre-pandemic traffic. However, the distribution of traffic was not the same: the domestic sector continued to lag behind due to reduced business travel; the transborder sector was almost back to 2019 levels; and the international sector was running at full capacity, with more traffic than in 2019, partly due to the high number of connecting passengers.

The current trend would lead to 25 million passengers in 2028. The international sector will be the main driver of this growth, but the pace will be slowed by the limited capacity of the processes. The financial impact of the pandemic is forcing the postponement of certain capital projects, which means that YUL will be under pressure. Growth will have to come later.

In addition, the global economy, which has been hit by repeated shocks, was slowing at the beginning of 2023. Recent months have shown that the desire to travel is strong and that travel spending is important to consumers. The impact on travel remains uncertain at this stage, but should be taken into account.

## Infrastructure in Three Phases

### 1 - Operational Excellence (short term, 2023-2024)

The short-term Operational Excellence component includes critical work that will improve the quality of YUL's operations and provide greater flexibility to avoid capacity issues such as those experienced during the 2022 summer and holiday peaks.

This component is in addition to the ongoing asset maintenance and access improvement program, the Regular Program and the City Program. In the short term, the Regular Program will focus on the rehabilitation of the airport's runways.

During this period, the City Program will be more intensive, with three main elements: completion of the REM station; commissioning of the P4 car park (necessary because the multi-level parking lot, which has outlived its usefulness, will have to be demolished to build the REM station); reconstruction of the Level 1 (commercial arrivals, shuttles, public arrivals) and Level 2 (departures) drop-offs.

### 2 - The Bridge (medium term, 2024-2028)

The medium-term component, The Bridge, consists of capacity-enhancing projects grouped under an airside program and considered a priority to improve aircraft turnarounds on the tarmac, facilitate passenger movement to and from aircraft and increase baggage capacity. The work would also include the development of remote gates with passenger waiting areas. The Bridge will be the time to plan the next phase, Stepping Up. Expansion plans will be refined and the necessary capital will be secured.

### 3 - Stepping Up (long term, 2028 and beyond)

Beginning in 2028, when ADM has restored its financial capacity and can solicit markets, a Airport Terminal program will be implemented that will include a series of projects to increase its airside gate and baggage handling capacity. The Connection Centre will also be expanded.

## Financial capacity

Under a conservative scenario, ADM expects YUL to handle 25 million passengers in 2028 and 35 million passengers in 2050.

The revised 2022 infrastructure program includes \$3.3 billion of investment for the Cityside component (REM, P4, Access). The Airside and Terminal components could require twice this amount in the medium and long term.

The financial impact of the pandemic on ADM is \$1 billion over the period 2020-2024.

According to ADM's projections, the Corporation will be able to make its desired infrastructure investments in the short, medium and long term while maintaining an A credit rating. This is the minimum target rating to satisfy investment grade bond underwriters. The debt is expected to be repaid in full in 2069, three years prior to the expiration of ADM's lease with Transport Canada.

ADM does not expect to be able to finance its expansion within its current corporate structure at the appropriate time. Alternative financing and partnerships will need to be considered to meet demand.

## Operations

Post-pandemic operations present challenges. Air Canada's and Air Transat's strategies to treat YUL as a hub are resulting in a significant increase in the number of late afternoon movements, which is putting significant pressure on connecting and baggage processes. Many measures, including the capital projects mentioned above, are planned to improve the fluidity of operations.

## Commercial revenues

The pandemic was hard on businesses. Despite special arrangements, many restaurants and retailers did not survive. Nevertheless, the business has recovered well; by the end of 2022, non-aeronautical revenues had exceeded those of 2019. The short-term priority is to restore the commercial offer and adapt it to new passenger profiles in order to capture all revenue opportunities and improve the passenger experience. With an influx of new employees, around 20 retail, restaurant and lounge outlets are expected to open between December 2022 and December 2023.

## Technology and innovation

ADM's technology priorities include: managing technology risk by pursuing the cybersecurity roadmap (in compliance with Bill 25); deploying priority IT solutions to support the achievement of business objectives; controlling IT cost inflation by ensuring that each investment is proportionate to the value delivered; and improving overall service levels. Technology innovations to watch include the new digital strategy with an enhanced customer experience and the biometric pilot with Air Canada to allow boarding without agent verification.

## Human capital

In the context of a widespread labour shortage, ADM was able to fill 189 positions in 2022 and reduce the average time to hire by two weeks compared to 2019. As a result, the airport environment remains attractive, but progress needs to be made on talent retention, as the proportion of new employees leaving within the first year more than doubled between 2019 and 2021. Short-term priorities on the human capital side also include the onboarding of new resources and the continuation of equity, diversity and inclusion policies and actions.

## Sustainable development and communications

Environmental issues are at the centre of public debate, and the airline industry's multi-year progress towards decarbonization is affecting the social acceptability of air travel. In addition, shortcomings in the industry's operations at key points in 2022 have damaged YUL's image. ADM will step up its efforts by elevating its SD and ESG initiatives to a strategic level. A roadmap to net-zero emissions will be presented in 2023 and its ESG report will be audited for the first time by 2025. ADM will also need to mobilize its employees and partners at each of its sites to create a shared brand identity, a sense of belonging and greater engagement.

## International Aerocity of Mirabel

In conclusion, ADM must continue to work to take its Aerocity of Mirabel to new heights. The future of YMX will undoubtedly depend on the development of its three areas of activity: aeronautics; transport electrification and innovation; and cargo transport. To achieve this, the Corporation will have to continue its partnership with the City of Mirabel in the development of its infrastructures and assess its ability to create even more value by bringing together the site's partners.





SÛRETÉ  
AIRPORT PATROL

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## ACCOUNTABILITY

ADM's principles are to be accountable to the community, to be transparent in its relationships with its customers and various stakeholders, and to communicate openly with the public.

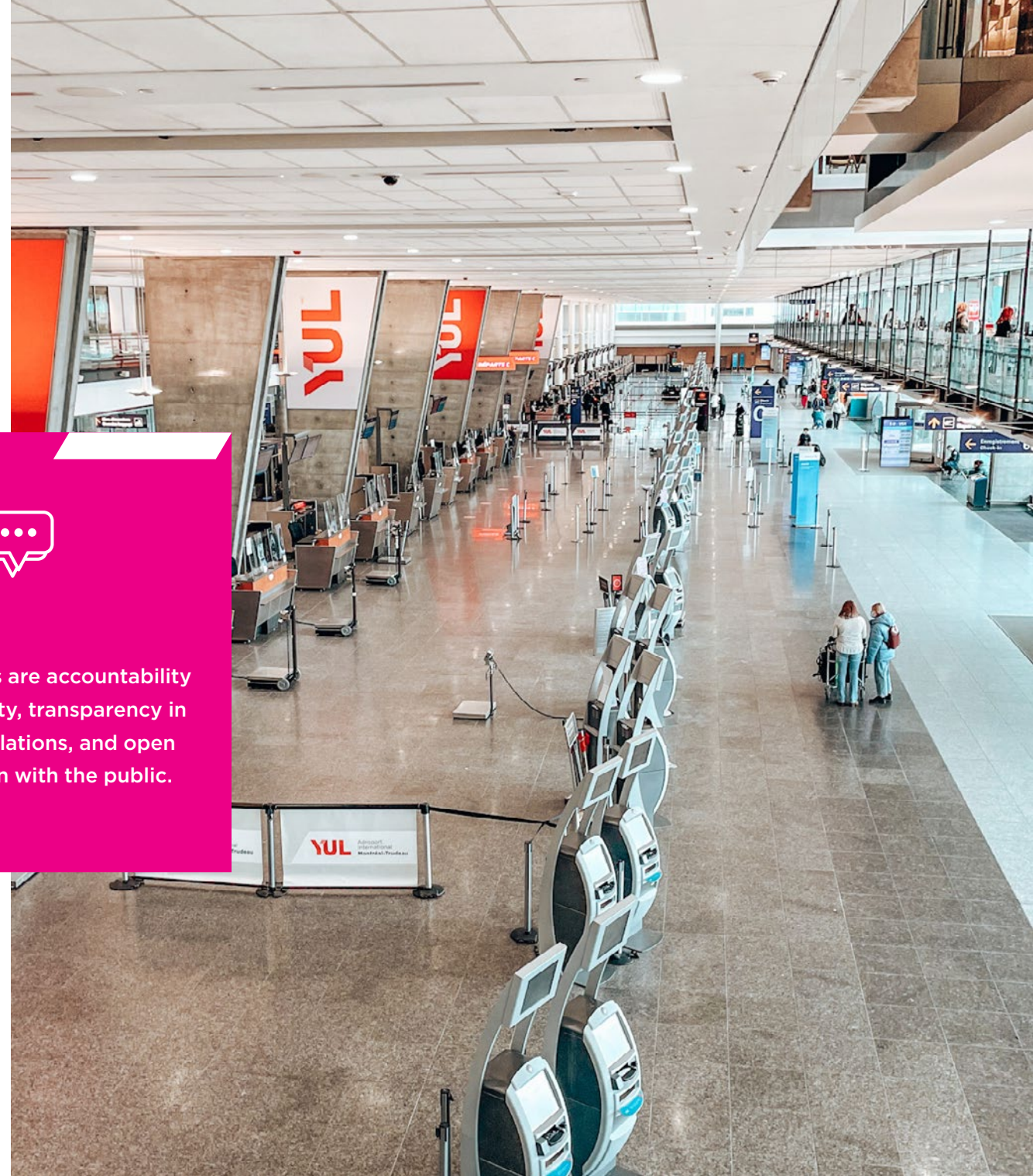
ADM is accountable for its administration in a number of ways:

- By publishing an annual report that contains, in addition to the audited financial statements, specific information relating to ESG topics, corporate governance, the compensation of directors and officers, and exceptions to the policy on the acquisition of goods and services;
- By issuing press releases in the same manner as publicly traded companies;
- By holding an annual public meeting;
- By holding an annual meeting with each of the nominating organizations;
- By satisfying the financial requirements of bondholders and the bank syndicate, unless they agree to waive them.

ADM also communicates on an ongoing basis with the city or borough councils of neighbouring communities, including those of Dorval, Pointe-Claire, Saint-Laurent, Montréal and Mirabel.



ADM's principles are accountability to the community, transparency in its customer relations, and open communication with the public.



## CONSULTATION

In addition to the work done with the Community Advisory Committee, ADM consults with its various stakeholders on all relevant issues related to airport management, operations and development, either directly or through committees established specifically for this purpose.

Some examples include:

### Soundscape Advisory Committee

Comprised of 15 members appointed respectively by the City of Montréal, the cities of Dorval and Pointe-Claire as well as the borough of Saint Laurent, Transport Canada, the Québec government, NAV CANADA, the air carriers and ADM Aéroports de Montréal, this committee meets regularly to discuss soundscape issues.

### Airline Consultative Committee (ACC)

This committee provides an effective forum to discuss issues of common interest to air carriers and provide an official representative body of air carriers for formal consultation and communication with ADM, including the following topics:

- Airport construction projects and capital expenditures that will have an effect on airline rental rates, fees and charges or may affect operations;
- Issues that require airline expertise;
- Airport operations, procedures and policies that affect the airlines' operating costs at ADM-managed airports.

The ACC is complementary to the Airport Operators Committee (AOC) and its functions are to consolidate airline views and to attempt to achieve consensus among the members.

### Airport Operators Committee (AOC)

Comprised of ADM management, airline station managers, federal inspection services, NAV CANADA, cargo handlers and other aviation service providers, the AOC oversees the coordination of day-to-day airport operations.

### Master Plan

Updates to the master plans of both airports are required every 10 years and must be reviewed by various groups that Aéroports de Montréal deems appropriate, including the municipalities of Montréal and Mirabel and the Community Advisory Committee. Once comments have been received, updates are filed with the Canadian Minister of Transport. YUL and YMX's master plans were the subject of consultations in 2013 and were filed with the Canadian Minister of Transport. These plans cover the period 2013-2033.

### Land Use Plan

A consultation plan must be filed with Transport Canada before any change is made to the land use plan. These consultations must be carried out with the Community Advisory Committee as well as with other organizations, bodies and government departments deemed appropriate by Aéroports de Montréal. An approval request for the intended changes must then be filed with the Canadian Minister of Transport.

## Validation of sustainability issues

In the fall of 2022, ADM consulted with its stakeholders through a survey of 13 internal and external stakeholder groups. These included ADM's Board of Directors, managers and employees, airport community members, Community Advisory Committee members, passengers, business partners, government agencies, environmental groups, banks and investors, and rating agencies. More than 450 respondents commented on the importance they attached to 26 sustainability issues. This exercise enabled stakeholders to identify the sustainability issues they consider important to them and to the organization, and allowed ADM to review the sustainability issues to prioritize in its approach.



## Information

The public has various means at its disposal to communicate with an ADM representative or to access information about ADM's activities, including the following:

- By visiting the ADM website at [admtl.com](https://admtl.com);
- By visiting ADM's various social platforms, including Facebook, Twitter, Instagram ([@yulaeroport](https://www.instagram.com/yulaeroport)) and LinkedIn ([@ADM Aéroports de Montréal](https://www.linkedin.com/company/ADM-Aéroports-de-Montréal));
- By calling the general information numbers (514-633-3333 or 1 800-465-1213);
- The travelling public can also share comments, questions or suggestions by phone (514-633-3351), fax (514-394-7356) or e-mail ([yulsatisfaction@admtl.com](mailto:yulsatisfaction@admtl.com));
- By writing to Public Affairs.

Anyone who witnesses an improper or unethical situation, or a bidding process that violates ADM's procurement processes, is encouraged to contact a confidential information line (1-844-302-6335), operated by an independent firm.





## Reporting of Contracts Not Subject to Public Tendering

In accordance with the accountability principles issued by Transport Canada, the administrative by-laws and Aéroports de Montréal's policy on the procurement of goods and services, all contracts in excess of \$125,000 must be publicly tendered, unless the authorized signatory, for reasons of efficiency and practicality, decides otherwise. In all cases, a price validation process is systematically applied.

### Reasons for Exemption

**A.** When Aéroports de Montréal considers that it is more efficient to award a new contract to an existing supplier, when service providers have gained specific experience related to the previous contract, or when there is an urgent need to undertake work to avoid compromising the safety of premises and persons.

**B.** When the acquired technology remains the property of the supplier, is under patent or licence, or when the specialized experience and expertise of the supplier are quasi-exclusive, or when the maintenance of a source of supply is essential in view of the substantial investments already made to establish a standard.

## Contracts of \$1 Million and Over:

Contract Value	Company	Nature	Reason for exemption
\$9,655,878	Bédard Ressources inc.	Ambassador and chat agent services	B. Maintaining source
\$3,936,389	4468198 Canada inc. (Autocars Skyport) "Kéolis"	Shuttle parking service	A. Specific expertise
\$2,990,859	Daifuku Airport Technologies	Transit EAST	A. Specific expertise
\$2,750,000	Groupe Azur	GHG 2.0 Development	A. Specific expertise
\$1,497,932	Les Constructions Serbec inc.	Securing of high track soffits SDT	A. Specific expertise
\$1,462,862	Siemens	Maintenance of the fire alarm system	B. Ownership/exclusivity
\$1,078,000	Les Constructions Serbec inc.	Clinical and laboratory point of service	A. Specific expertise
\$1,000,000	Lemay CO inc.	Consulting Firm Accreditation Program for the period 2022-2025	A. Specific expertise

## Contracts Under \$1 Million:

### Reason for exemption A

Serbec (construction project management services); SAVM (baggage handler service); Social Solutions Group (passenger process simulations); Falcon Environmental Inc. (drone detection system); Ivanhoe Cambridge (feasibility study); InterVISTAS Consulting Inc. (air traffic studies and forecasts); Cause Première Inc. (technical and administrative support); NATIONAL Public Relations (consulting services); Groupe Daoust/Forget Inc. (uniform cleaning); Proxima (planning and risk management services); Stantec (follow-up for the tunnel construction for the REM station project).

### Reason for exemption B

Precise ParkLink (purchase of payment terminals for parking lots); Publipage Inc (commercial quality program); IATA (analysis of the ground handling process); GoBrien Productions Inc (production of promotional videos); Four Wind Interactive (licences); Stratzer conseils Inc (management of sorting centres); Citron Hygiène (hygiene of sanitary blocks); In-Rgy (Success Factor support); Vitreco Inc (supply and installation of aluminum curtain walls and swing doors); BBA Inc (replacement of 25KV cupboards).



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<b>Consolidated Statement of Net Assets</b>	+
<b>Consolidated Statement of Comprehensive Income (Loss)</b>	+
<b>Consolidated Statement of Changes in Net Assets</b>	+
<b>Consolidated Statement of Cash Flows</b>	+
<b>Notes to Consolidated Financial Statements</b>	+

## MANAGEMENT'S REPORT

Management is responsible for the preparation and integrity of the financial statements presented in this annual report.

These consolidated financial statements have been prepared in accordance with International Financial Reporting Standards (IFRS) under the accounting policies set out in the notes and include figures based on the best estimates and judgment of management. Financial information found elsewhere in this annual report is consistent with these consolidated financial statements.

In order to fulfil its responsibilities, the Corporation maintains efficient and high-quality internal control systems for financial reporting and asset management, while ensuring that costs are reasonable. These systems provide assurance that the financial information is relevant, accurate and reliable and that the Corporation's assets are properly accounted for and safeguarded.

The external auditors, KPMG LLP, have audited the Corporation's consolidated financial statements. Their report defines the scope of their audit as well as their opinion on the consolidated financial statements.

The Audit and Risk Management Committee of the Board of Directors holds meetings periodically with the external auditors, as well as with management, to examine the extent of the audit and assess the audit reports. These consolidated financial statements have been examined and approved by the Board of Directors upon recommendation by the Audit and Risk Management Committee.

March 30, 2023

President and CEO,



**Philippe Rainville, CPA**

Vice President, Finance and Administration  
and Chief Financial Officer,



**Ginette Maillé, CPA**



# INDEPENDENT AUDITOR'S REPORT

To the Directors of Aéroports de Montréal

## Opinion

We have audited the consolidated financial statements of Aéroports de Montréal (the "Entity"), which comprise:

- the consolidated statement of net assets as at December 31, 2022;
- the consolidated statement of comprehensive income (loss) for the year then ended;
- the consolidated statement of changes in net assets for the year then ended;
- the consolidated statement of cash flows for the year then ended;
- and notes to the consolidated financial statements, including a summary of significant accounting policies.

(Hereinafter referred to as the "financial statements.")

In our opinion, the accompanying financial statements present fairly, in all material respects, the consolidated financial position of the Entity as at December 31, 2022, and its consolidated financial performance and its consolidated cash flows for the year then ended in accordance with International Financial Reporting Standards (IFRS).

## Basis for Opinion

We conducted our audit in accordance with Canadian generally accepted auditing standards. Our responsibilities under those standards are further described in the "*Auditor's Responsibilities for the Audit of the Financial Statements*" section of our auditor's report.

We are independent of the Entity 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 Those Charged with Governance for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with International Financial Reporting Standards (IFRS), 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 Entity'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 Entity or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Entity'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 generally accepted auditing standards 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 the financial statements.

As part of an audit in accordance with Canadian generally accepted auditing standards, 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 Entity'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 Entity'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 Entity 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.
- 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.



Montréal, Canada  
March 30, 2023

\*CPA auditor, public accountancy  
permit No. A128528

# CONSOLIDATED STATEMENT OF NET ASSETS

(In thousands of Canadian dollars)

Year ended December 31, 2022,  
with comparative information for 2021

	Note	December 31, 2022	December 31, 2021
<b>Assets</b>			
<b>Current</b>			
Cash and cash equivalents	2	\$ 550,235	\$ 417,940
Restricted cash	3	57,441	56,492
Government grants receivable	4	52,502	34,350
Trade and other receivables	5	41,497	30,591
Inventories		7,958	6,618
Other current assets		12,191	12,159
		<b>721,824</b>	558,150
<b>Non-current</b>			
Property and equipment	6	2,247,868	2,338,271
Right-of-use assets	7	15,674	19,142
Receivables		50,746	34,051
Investment in joint ventures	8	12,077	7,063
Deferred income taxes	14	1,782	1,280
Other assets		71,358	64,198
		<b>2,399,505</b>	2,464,005
		<b>\$ 3,121,329</b>	\$ 3,022,155
<b>Liabilities</b>			
<b>Current</b>			
Trade and other payables		\$ 163,590	\$ 132,085
Transport Canada rent payable	9 (a)	42,790	-
Current portions of long-term bonds and lease liabilities	9 (a) and 11	22,722	21,312
Provisions	12	2,759	3,853
Other employee liabilities	13	16,838	13,944
Deferred revenue		5,661	5,661
		<b>254,360</b>	176,855
<b>Non-current</b>			
Long-term bonds	11	2,830,720	2,849,450
Lease liabilities	9 (a)	21,198	23,464
Pension benefit liability	13	12,433	25,996
Deferred revenue		28,514	34,175
Deferred Transport Canada rent	9 (a)	24,816	24,816
Deferred income taxes	14	376	215
		<b>2,918,057</b>	2,958,116
Commitments	20		
		<b>(51,088)</b>	(112,816)
		<b>\$ 3,121,329</b>	\$ 3,022,155

See accompanying notes to consolidated financial statements.

On behalf of the Board of Directors, these consolidated financial statements have been approved on March 30, 2023.



**Danielle Laberge,**  
Director



**Alain Côté,**  
Director



# CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME (LOSS)

(In thousands of Canadian dollars)

Year ended December 31, 2022,  
with comparative information for 2021

	Note	2022	2021
<b>Revenues</b>			
Aeronautical activities		\$ 241,898	\$ 94,844
Airport improvement fees ("AIF")	16	206,880	67,104
Parking and ground transportation		75,201	27,503
Concessions		54,612	35,665
Real estate		71,473	51,880
Other income		2,075	749
	15	<b>652,139</b>	277,745
<b>Expenses</b>			
Salaries and benefits	13 (b)	71,296	52,432
Operating expenses		142,964	98,453
Payments in lieu of municipal taxes		45,708	37,964
Transport Canada rent	9 (a)	68,295	25,291
Depreciation and impairment of property and equipment and right-of-use assets		160,431	162,569
		<b>488,694</b>	376,709
Financial expenses	15	132,567	136,732
Financial income	15	(13,503)	(3,874)
		<b>119,064</b>	132,858
		<b>607,758</b>	509,567
Excess (deficiency) of revenues over expenses before equity pickup and income taxes		44,381	(231,822)
Share in the results of joint ventures		783	996
Income taxes	14	158	7
<b>Excess (deficiency) of revenues over expenses</b>		<b>\$ 45,322</b>	\$ (230,819)
<b>Other comprehensive income:</b>			
<b>Items that will never be reclassified subsequently to excess (deficiency) of revenues over expenses:</b>			
Pension and other employee obligations:			
Actuarial gains of defined benefit pension plans	13	\$ 15,319	\$ 29,869
<b>Items that are or may be reclassified to excess (deficiency) of revenues over expenses:</b>			
Cash flow hedges:			
Reclassification to excess (deficiency) of revenues over expenses	15	1,087	1,086
		<b>16,406</b>	30,955
<b>Comprehensive income (loss)</b>		<b>\$ 61,728</b>	\$ (199,864)

See accompanying notes to consolidated financial statements.

# CONSOLIDATED STATEMENT OF CHANGES IN NET ASSETS

(In thousands of Canadian dollars)

Year ended December 31, 2022,  
with comparative information for 2021

	2022	2021
<b>Balance, beginning of year</b>	<b>\$ (112,816)</b>	\$ 87,048
Excess (deficiency) of revenues over expenses	45,322	(230,819)
Other comprehensive income	16,406	30,955
<b>Balance, end of year</b>	<b>\$ (51,088)</b>	\$ (112,816)

See accompanying notes to consolidated financial statements.

# CONSOLIDATED STATEMENT OF CASH FLOWS

(In thousands of Canadian dollars)

Year ended December 31, 2022,  
with comparative information for 2021

	Note	2022	2021
<b>Cash flows from operating activities</b>			
Excess (deficiency) of revenues over expenses		\$ 45,322	\$ (230,819)
Non-cash items:			
Income taxes		(158)	(7)
Share in the results of joint ventures		(783)	(996)
Gain on subleases		(17,042)	(1,721)
Depreciation and impairment of property and equipment and right-of-use assets		160,431	162,569
Amortization of lease incentives		936	941
Change in deferred revenue		(5,661)	(5,661)
Transport Canada rent	9 (a)	474	474
Employee pension benefit expense		8,452	10,098
Financial expenses		132,575	136,731
Financial income		(13,503)	(3,874)
		<b>311,043</b>	67,735
Contributions to the pension plan		(6,696)	(7,101)
Income taxes paid		(475)	(145)
Changes in working capital items	17	38,417	(526)
		<b>342,289</b>	59,963
<b>Cash flows from (used) in financing activities</b>			
Increase in long-term bonds net of debt issue costs	11	-	397,331
Repayment of long-term bonds and of lease liabilities		(21,616)	(20,335)
Restricted cash		(949)	(423)
Deferred rent		-	24,816
Interest paid		(135,883)	(132,748)
		<b>(158,448)</b>	268,641
<b>Cash flows used in investing activities</b>			
Investment in joint ventures	8	(4,500)	-
Distributions from a joint venture		120	220
Other non-current assets		(436)	(3,663)
Government grants	4	39,955	20,033
Acquisition of property and equipment		(98,048)	(109,178)
Proceeds on disposal of property and equipment		29	-
Proceeds from finance lease receivable		21	(74)
Interest received		11,313	2,632
		<b>(51,546)</b>	(90,030)
Net increase in cash and cash equivalents		132,295	238,574
Cash and cash equivalents, beginning of year		417,940	179,366
<b>Cash and cash equivalents, end of year</b>		<b>\$ 550,235</b>	<b>\$ 417,940</b>

See accompanying notes to consolidated financial statements.





# NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

(In thousands of Canadian dollars)

Year ended December 31, 2022

Aéroports de Montréal (“ADM”) was incorporated, without share capital, under Part II of the Canada Corporations Act on November 21, 1989, and continued on May 23, 2014, under the Canada Not-for-profit Corporations Act. The registered address and principal place of business is 800 Leigh-Capreol Place, Suite 1000, Dorval, Québec, H4Y 0A5, Canada.

ADM (the “Corporation”) is responsible for the management, operation and development of YUL, the Montréal-Trudeau International Airport and of YMX, the International Aerocity of Mirabel.

In the perspective of sustainable development, the Corporation’s mission is to:

- Connect Montréal to the world through the talent and passion of its teams;
- Offer a remarkable, safe and efficient experience while ensuring sustainable development and the enhancement of its facilities;
- Contribute to the prosperity of the community by embodying the vitality of Greater Montréal.

## 1. Significant accounting policies

The significant accounting policies used to prepare the consolidated financial statements are summarized below.

### (a) Statement of compliance

These consolidated financial statements have been prepared using accounting policies in accordance with International Financial Reporting Standards (“IFRS”) as at December 31, 2022 as published by the International Accounting Standards Board (“IASB”).

The consolidated financial statements were authorized for issue by the Board of Directors on March 30, 2023.

### (b) Basis of presentation

These consolidated financial statements are prepared using the historical cost method, except for certain financial instruments which are measured at fair value, lease liabilities which are measured at the present value of future lease payments and for the pension benefit liability and other employee benefits, which are measured as described in the accounting policy for “Post-employment benefits”. The historical cost is usually the fair value of the consideration given to acquire assets.

The consolidated financial statements are expressed in Canadian dollars rounded to the nearest thousand.

### (c) Principles of consolidation

#### *Subsidiary*

These consolidated financial statements include the accounts of ADM and its wholly owned subsidiary, Aéroports de Montréal Capital Inc. (“ADMC”). A corporation controls a subsidiary when it is exposed, or has rights, to variable returns from its involvement with the subsidiary and has the ability to affect those returns through its power over the subsidiary. The financial statements of a subsidiary are included in the consolidated financial statements from the date the control is obtained until the date that control ceases.

ADMC acts as an investment or financing partner in projects related directly or indirectly to airport management.

All intercompany accounts and transactions have been eliminated upon consolidation.



# Consolidated Financial Statements

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## 1. Significant accounting policies (continued)

### (c) Principles of consolidation (continued)

#### *Investments in joint ventures*

A joint venture is a joint arrangement whereby the parties that have joint control of the arrangement have rights to the net assets of the joint arrangement. Joint control is the contractually agreed sharing of control of an arrangement, which exists only when decisions about the relevant activities require unanimous consent of the parties sharing control.

Investments in joint ventures are accounted for using the equity method. The initial investment is recorded at cost and is subsequently adjusted to recognize the Corporation's share of the profit or loss and comprehensive income (loss) of its joint ventures.

All accounts and transactions with its joint ventures have been eliminated to the extent of the Corporation's interest in the entities.

### (d) Financial instruments

The Corporation initially recognizes financial assets on the trade date at which the Corporation becomes a party to the contractual provisions of the instrument. Financial assets are initially measured at fair value. If the financial asset is not subsequently accounted for at fair value through profit or loss, then the initial measurement includes transaction costs that are directly attributable to the asset's acquisition or origination. On initial recognition, the Corporation classifies its financial assets as subsequently measured at either amortized cost or fair value, depending on its business model for managing the financial assets and the contractual cash flow characteristics of the financial assets.

The classification of the Corporation's financial instruments is presented in the following table:

<b>Class</b>	<b>Financial instrument</b>
Financial assets at amortized cost	Cash and cash equivalents Restricted cash Trade and other receivables
Financial liabilities at amortized cost	Trade and other payables Long-term bonds

#### *Financial assets measured at amortized cost*

After the initial recognition, non-derivative financial assets are subsequently measured at amortized cost using the effective interest rate method, less any impairment loss, if the following conditions are met:

- The assets are held within a business model whose objective is to hold assets in order to collect contractual cash flows;
- The contractual terms of the financial assets give rise, on specified dates, to cash flows that are solely payments of principal and/or interest.

#### *Impairment of financial assets*

The Corporation uses the "expected credit loss" model for calculating impairment and recognizes expected credit losses as a loss allowance in the consolidated statement of net assets if they relate to a financial asset measured at amortized cost. The Corporation's trade and other receivables, typically short-term receivables with payments received within a 12-month period, do not have a significant financing component.

Therefore, the Corporation recognizes impairment and measures expected credit losses as lifetime expected credit losses. The carrying amount of these assets in the consolidated statement of net assets is stated net of any loss allowance. Impairment of trade and other receivables is presented within "Other operating expenses" in the consolidated statement of comprehensive income (loss).



# Consolidated Financial Statements

Notes to Consolidated Statements (In thousands of Canadian dollars) | Year ended December 31, 2022

## 1. Significant accounting policies (continued)

### (d) Financial instruments (continued)

#### *Financial assets measured at fair value*

These assets are measured at fair value and changes therein, including any interest or dividend income, are recognized in the consolidated statement of comprehensive income (loss). The Corporation does not currently hold any financial assets measured at fair value.

The Corporation derecognizes a financial asset when the contractual rights to the cash flows from the asset expire, or it transfers the rights to receive the contractual cash flows on the financial asset in a transaction in which substantially all the risks and rewards of ownership of the financial asset are transferred.

#### *Financial liabilities measured at amortized cost*

Financial liabilities are subsequently measured at amortized cost using the effective interest rate method. Interest-related charges are reported in the consolidated statement of comprehensive income (loss) within "Financial expenses".

The Corporation derecognizes a financial liability when its contractual obligations are discharged, cancelled or expired.

#### *Derivatives*

The Corporation manages its exposure to interest rate volatility through its regular operating and financing activities and, when deemed appropriate, through the use of derivative financial instruments. All derivatives are recorded at fair value either as assets or liabilities. The effective portion of the change in fair value arising from derivative financial instruments designated as cash flow hedges is recorded in other comprehensive income (loss) and any ineffective portion of change in fair value is reclassified immediately to excess of revenues over expenses. The effective portion of the hedge is then recognized in excess of revenues over expenses over the same period as the related underlying.

#### *Fair value of financial instruments*

Financial instruments measured at fair value use the following fair value hierarchy and valuation techniques to categorize them into different levels:

**Level 1:** quoted prices (unadjusted) in active markets for identical assets or liabilities.

**Level 2:** inputs other than quoted prices included in Level 1 that are observable for the asset or liability, either directly (as prices) or indirectly (derived from prices).

**Level 3:** inputs for the asset or liability that are not based on observable market data (unobservable inputs).

If the inputs used to measure the fair value of an asset or a liability might be categorized in different levels of the fair value hierarchy, then the fair value measurement is categorized in its entirety in the same level of the fair value hierarchy as the lowest level input that is significant to the entire measurement.

The Corporation recognizes transfers between levels of the fair value hierarchy at the end of the reporting period during which the change has occurred.

#### **(e) Cash and cash equivalents**

Cash and cash equivalents include cash on hand and short-term highly liquid investments that can be converted into known amounts of cash and which are subject to an insignificant risk of changes in value. Also, their term to maturity is three months or less from the date of acquisition. Interest income on these assets is included in "Financial income".

#### **(f) Inventories**

Inventories are valued at the lower of cost and net realizable value. Cost is determined according to the average cost method for replacement parts and according to the first in, first out method for bulk inventories.





# Consolidated Financial Statements

Notes to Consolidated Statements (In thousands of Canadian dollars) | Year ended December 31, 2022

## 1. Significant accounting policies (continued)

### (g) Government grants

Government grants are recognized when there is reasonable assurance that the Corporation will comply with the conditions required by the grants, and that the grants will be received.

Grants related to the construction of property and equipment are recognized as a deduction of property and equipment, and depreciation expense is calculated on the net amount over the useful life of the related asset.

Government grants that compensate for specific expenses incurred are recorded in the consolidated statement of comprehensive income (loss) net of the related costs.

Income related grants are recorded in “Other income” in the consolidated statement of comprehensive income (loss).

### (h) Property and equipment

Property and equipment are measured at cost less subsequent depreciation and impairment losses. The cost includes expenses that are directly attributable to the acquisition or construction of the asset, and the costs of dismantling and removing the asset, and restoring the site on which it is located.

Under the terms of the long-term lease entered into with Transport Canada (“Ground Lease”), any land acquired by the Corporation in the vicinity of the airport and outside of the perimeter of the demised premises, and that is used for competing activities, require the consent of the Minister of Transport, at his own conditions, including the sale of this

land in favour of His Majesty for a nominal amount and its transfer into the demised premises of the Ground Lease. The acquisition cost of such transferred land is accounted for as property and equipment under “Land” and amortized using the straight-line method over the remaining term of the lease with Transport Canada.

This expense is recognized under “Transport Canada rent” in the consolidated statement of comprehensive income (loss) (Note 9(a)).

Construction-in-progress projects are transferred to the appropriate category of property and equipment only when they are available for use (which corresponds to the moment when they are in the location and condition necessary for them to be capable of operating in the manner intended by management), or are written off when, due to changed circumstances, management does not expect the project to be completed. The cost of a self-constructed item of property or equipment includes the cost of materials, direct labour, and any other costs directly attributable to bringing the asset to the location and conditions necessary for it to be capable of operating in the manner intended by management. Borrowing costs that are directly attributable to the acquisition, construction or production of qualifying assets are capitalized to the cost of such asset until they are ready for their intended use. Capitalization of borrowing costs is suspended during extended periods in which the Corporation suspends active development of qualifying assets, and it ceases when substantially all the activities necessary to prepare qualifying assets for their intended use are complete. For generally borrowed funds used for the purpose of obtaining a qualifying asset, the capitalization rate used is the weighted average cost of capital of outstanding loans

during the period, other than borrowings made specifically for the purpose of obtaining a qualifying asset.

Buildings and leasehold improvements include leased assets under finance leases, which are comprised of office spaces, as well as property and equipment for which the licensing rights were awarded to a third party under operating leases.

Software that is an integral part of the related hardware is capitalized to the cost of computer equipment and included in property and equipment. Configuration and customization costs incurred under cloud computing arrangements that do not meet capitalization criteria are expensed as incurred.

Normal repairs and maintenance are expensed as incurred. Expenditures comprising enhancements to the assets by way of change in capacity or extension of useful life are capitalized.

Each component of an item of property and equipment with a cost that is significant in relation to the total cost of the item is depreciated separately when its useful life is different.

The carrying amount of an item of property and equipment is derecognized on disposal or when no future economic benefits are expected from its use. The gain or loss arising from derecognition of an item of property and equipment (determined as the difference between the net disposal proceeds and the carrying amount of the item) is included in the consolidated statement of comprehensive income (loss) when the item is derecognized.



# Consolidated Financial Statements

Notes to Consolidated Statements (In thousands of Canadian dollars) | Year ended December 31, 2022

## 1. Significant accounting policies (continued)

### (h) Property and equipment (continued)

Each item of property and equipment is amortized over its estimated useful life or over the term of the related lease, if shorter, using the straight-line method as follows:

Asset	Period
Land retroceded to Transport Canada	Remaining term of Transport Canada lease
Buildings and leasehold improvements	4–50 years
Civil infrastructures	4–40 years
Furniture and equipment	3–30 years
Technological and electronic equipment	2–20 years
Vehicles	3–15 years

Residual values, useful lives and depreciation methods are reviewed at each reporting period and adjusted for prospectively, if appropriate.

### (i) Leases

#### *The Corporation as lessor*

As a lessor the Corporation classifies its leases as either operating or finance leases.

A lease is classified as a finance lease when it transfers to the lessee substantially all the risks and rewards related to the ownership of the leased asset. All other leases are classified as operating leases.

The amount receivable from the lessee in accordance with a finance lease is recognized at an amount equal to the present value of the rent payments over the term of the contract within “Trade and other receivables” and “Receivables” in the consolidated statement of net assets.

Finance lease income is recognized over the lease term within “Financial income”, to reflect a constant periodic rate of return on the Corporation’s net investment in the finance lease.

Lease income from operating leases is recognized in income on a straight-line basis over the lease term either within “Parking and ground transportation”, “Concessions” and “Real estate” in the consolidated statement of comprehensive income (loss).

Initial direct costs incurred in negotiating and arranging an operating lease and lease incentives that are incurred in the initial lease of an asset are capitalized within “Property and equipment”. They are both amortized on a straight-line basis over the term of the related lease and recorded as a reduction of the related revenues.

Variable rents arising from a finance or an operating lease are recognized as rental income when the amount can be estimated reliably, and collectability is considered likely. Any differences arising subsequent to initial recognition of contingent rent are recognized in the Consolidated Statement of Comprehensive Income (loss).

#### *The Corporation as lessee*

At inception date, the Corporation considers whether a contract is or contains a lease. A lease is a contract, or part of a contract, that conveys the right to control the use of an identified asset for a period of time in exchange for consideration.

A contract conveys the right to control an identified asset if:

- The identified asset is usually explicitly identified in the contract or implicitly specified by being made available to the Corporation. If the supplier has a substantive substitution right, then the asset is not identified;
- The Corporation has the right to obtain substantially all of the economic benefits from use of the asset throughout the period of use;
- The Corporation has the right to direct the use of the identified asset throughout the period by having the decision-making rights on how and for what purpose the asset is used without the supplier changing those operating instructions or if it has designed the asset (or certain aspects of the asset) in a way that predetermines how it is to be used and for what purpose it is to be used throughout its useful life.

# Consolidated Financial Statements

Notes to Consolidated Statements (In thousands of Canadian dollars) | Year ended December 31, 2022

## 1. Significant accounting policies (continued)

### (i) Leases (continued)

#### *The Corporation as lessee (continued)*

At inception date, the Corporation recognizes a right-of-use asset and a lease liability on the consolidated statement of net assets. The right-of-use asset is measured at cost, which is made up of the initial measurement of the lease liability, any lease payments made at the commencement date or in advance, net of any incentives received, any initial direct costs incurred and an estimate of any costs required, at the end of the lease, to dismantle and remove the asset as well as the site restoration costs to return the asset in the condition required by the terms and conditions of the rental agreement. The Corporation incurs the obligation for these costs either on the inception date or as a result of using the asset.

Right-of-use assets are amortized over the estimated useful life of the underlying asset or the lease term, if shorter, using the straight-line method.

The Corporation assesses the right-of-use asset for impairment when events or changes in circumstances indicate so.

At inception date, the Corporation measures the lease liability at the present value of the lease payments unpaid at that date, discounted using the interest rate implicit in the lease if that rate is readily available. If not, the Corporation uses its incremental borrowing rate which is the rate of interest that the Corporation would have to pay to borrow the funds to obtain an asset of similar value and over a similar term.

Lease payments included in the measurement of the lease liability comprise fixed payments and variable rent payments that are based on an index or rate, less any lease incentives receivable for the right to use the underlying asset during the lease term that are not paid at the commencement date, variable payments based on an index or rate, amounts expected to be payable under a residual value guarantee, payments arising from options reasonably certain to be exercised and penalties for terminating the lease, if the lease term reflects the lessee exercising an option to terminate the lease.

Subsequent to initial measurement, the lease liability will be increased to reflect interest and reduced to reflect lease payments made. The Corporation remeasures the lease liability to reflect any reassessment or modification of the lease. The corresponding adjustment is reflected in the right-of-use asset, or in the consolidated statement of comprehensive income (loss) if the right-of-use is already reduced to zero.

The Corporation has elected to exclude short-term leases (whose term is under 12 months) and lease contracts for which the underlying asset has a low value (under \$5). Payments in relation to these are recognized as an expense in the period incurred in the consolidated statement of comprehensive income (loss).

Variable payments that are not based on an index or rate are recognized in the consolidated statement of comprehensive income (loss) as incurred.

Operating and maintenance costs related to a lease contract, excluding those related to technological and electronic equipment, are recognized as an expense in the period incurred under "Other operating expenses".

#### *The Corporation as an intermediate lessor*

In sublease arrangements where the Corporation is the intermediate lessor, it determines whether the sublease is a finance or an operating sublease by reference to the right-of-use asset. A sublease is a finance sublease if substantially all of the risks and rewards of the head lease right-of-use asset have been transferred to the sublessee and the Corporation accounts for the sublease as two separate contracts. The Corporation derecognizes the right-of-use asset corresponding to the head lease and records a net investment in the finance sublease with corresponding interest income recognized in "Financial income" in the consolidated statement of comprehensive income (loss) and a net investment receivable recognized in other receivables in the consolidated statement of net assets.

### (j) Impairment of assets

For the purpose of assessing impairment, assets are grouped at the lowest levels for which there are largely independent cash inflows, cash-generating units ("CGU"). CGU are tested for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable.





# Consolidated Financial Statements

Notes to Consolidated Statements (In thousands of Canadian dollars) | Year ended December 31, 2022

## 1. Significant accounting policies (continued)

### (j) Impairment of assets (continued)

An impairment loss is recognized for the amount by which the cash-generating unit's carrying amount exceeds its recoverable amount, which is the higher of fair value less costs to sell and value in use. To determine the value in use, management estimates expected future cash flows from each cash-generating unit and determines a suitable interest rate in order to calculate the present value of those cash flows. The data used for impairment testing procedures are directly linked to the Corporation's latest approved budget and strategic plan, adjusted as necessary to exclude asset enhancements, but include asset maintenance programs. Discount factors are determined individually for each cash-generating unit and reflect their respective risk profiles as assessed by management.

### k) Provisions, contingent assets and contingent liabilities

#### Provisions

Provisions are recognized when the Corporation has a present legal or constructive obligation as a result of past events, when it is probable that an outflow of economic resources will be required to settle the obligation, and when the amount can be reliably estimated. Provisions are measured at the present value of the expenditures expected when the time value of money is significant. Provisions are not recognized for future operating losses.

The increase in the provision associated with the passage of time is recognized as a financial expense.

### Contingent assets and contingent liabilities

Possible inflows of economic benefits to the Corporation that do not yet meet the recognition criteria of an asset are considered contingent assets.

The Corporation does not recognize any liabilities where the outflow of economic resources, as a result of present obligations, is considered improbable or remote.

### (l) Income taxes

Under the agreement with the Government of Québec, dated July 29, 1992, and pursuant to the *Federal Airports Disposal Act*, dated June 23, 1992, the Corporation, excluding its subsidiaries, is exempt from income taxes relating to its airports' activities.

### Current taxes

Current income tax is the estimated amount payable on taxable income or fiscal loss for the reporting period and is calculated based on tax rates that have been enacted or substantively enacted by the end of the reporting period. It also takes into account prior period adjustments.

### Deferred taxes

Deferred income tax assets and liabilities are determined according to differences between the carrying amounts and tax bases of assets and liabilities. They are measured by applying enacted or substantively enacted tax rates and laws that are expected to apply to their respective period of realization. Deferred tax assets are recognized to the extent that it is probable that they will be able to be utilized against future taxable income.

Deferred tax assets and liabilities are offset only when the Corporation has a right and intention to set off current tax assets and liabilities from the same taxation authority.

### (m) Municipal taxes

The Corporation is also exempt from the provincial *Act respecting Municipal Taxation*. However, by virtue of a contract with Public Services and Procurement Canada, payments in lieu of municipal taxes are paid under the *Municipal Grants Act*.

### (n) Short-term employee obligations

Short-term employee obligations, including vacation entitlement, are current liabilities included in "Other employee liabilities" measured at the undiscounted amount that the Corporation expects to pay as a result of the unused entitlement.

### (o) Post-employment benefits

The Corporation provides post-employment benefits through a pension plan registered under federal jurisdiction which has two components: defined contribution and defined benefit based on final salary. The defined contribution component of the plan is offered to all new employees hired.

Under the defined contribution component, the Corporation pays fixed contributions into an independent entity. The Corporation has no legal or constructive obligations to pay further contributions after its payment of the fixed contribution. Contributions to the plan are recognized as an expense in the period in which the employee rendered services.

# Consolidated Financial Statements

Notes to Consolidated Statements (In thousands of Canadian dollars) | Year ended December 31, 2022

## 1. Significant accounting policies (continued)

### (o) Post-employment benefits (continued)

Under the defined benefit component, the amount of pension benefit that a participating employee will receive on retirement is determined by reference to length of service and expected average final earnings. The legal obligation for any benefits remains with the Corporation, even if plan assets for funding the defined benefit component have been set aside.

The Corporation also provides a supplemental defined benefit pension plan for designated officers hired prior to April 1, 2017. For designated officers hired as of April 1, 2017, the Corporation provides a supplemental defined contribution pension plan. The benefits paid are in accordance with applicable laws and provisions of the plans. The defined benefit and the defined contribution supplemental pension plans are secured by letters of credit.

The liability related to the defined benefit pension plans is the present value of the defined benefit obligation at the reporting date less the fair value of plan assets. The liability related to the defined contribution supplemental plan is the fair value of the obligation at the reporting date. The liability related to these pension plans is accounted for under "Pension benefit liability" in the consolidated statement of net assets.

Management estimates the defined benefit obligation annually with the assistance of independent actuaries. The estimate of its post-retirement benefit obligation is determined using the projected unit credit method and is charged to consolidated comprehensive income (loss) as services are provided by the employees. The calculations consider management's best estimate of the salary

escalations, retirement ages of employees and expected retirement benefits. The discount rate is determined by reference to high-quality corporate bonds that have terms to maturity approximating the terms of the related pension obligation.

Actuarial gains and losses arise from the difference between actuarial assumptions and plan experience and from changes in actuarial assumptions used to determine the defined benefit obligation. All actuarial gains and losses relating to defined benefit plans are recognized in the period in which they occur in other comprehensive income (loss). Past service costs are recognized immediately in excess of revenues over expenses.

Net interest expense related to the pension obligation and all other post-employment benefit expenses are included in "Salaries and benefits" in the consolidated statement of comprehensive income (loss).

### (p) Revenue recognition

The Corporation's principal sources of revenues are comprised of revenue from aeronautical activities, Airport Improvement Fees ("AIF"), parking and ground transportation, concessions, real estate activities as well as other income.

A performance obligation is a contractual promise to transfer a good or service to a customer. The transaction price is the amount agreed upon in a contract, including an estimate of variable consideration to the extent that it is highly probable that a significant reversal will not subsequently occur. Variable consideration is usually derived from incentives such as discounts and rebates. The Corporation recognizes revenue when, or as, the customer obtains control of the goods or services.

### *Aeronautical activities*

Revenues from aeronautical activities, which generally consist of landing and terminal fees, primarily received from airline companies, are recognized when the facilities are utilized.

Aeronautical activities also include deferred revenue which is recognized on a straight-line basis over the term of the corresponding licence agreements or when services are rendered. Deferred revenue is comprised of revenue related to licence fees of certain assets stemming from agreements entered with third parties.

### *AIF*

Revenues from AIF are recognized when departing passengers board the aircraft using information from air carriers obtained after boarding has occurred. Under an agreement with the airlines, AIF are collected by the airlines and are included in the price of a plane ticket. They are paid to the Corporation, net of airline collection fees.

### *Parking and ground transportation*

Revenues from parking and ground transportation are recognized when the facilities are used or under the straight-line method over the term of the respective agreements.

### *Concessions*

Concession rental payments are calculated based on the greater of the agreed-upon percentages of reported concessionaire sales and specified minimum rentals. Minimum rentals are recognized under the straight-line method over the term of the respective leases, and concession rental payments based on sales are recognized when tenants reach the agreed-upon objectives.



# Consolidated Financial Statements

Notes to Consolidated Statements (In thousands of Canadian dollars) | Year ended December 31, 2022

## 1. Significant accounting policies (continued)

### (p) Revenue recognition (continued)

#### **Real estate**

Real estate revenues are recognized under the straight-line method over the terms of the respective leases.

#### **Other income**

Other income includes income from other operations and is recognized as the performance obligation is satisfied.

### (q) Financial expenses and income

Financial expenses include interest expense on long-term bonds and finance lease liabilities, amortization of debt issue expenses as well as the reclassification of the net change in fair value arising from derivative financial instruments designated as cash flow hedges previously recorded in other comprehensive income (loss).

Borrowing costs that are not directly attributable to the acquisition, construction or production of a qualifying asset are recognized in the consolidated statement of comprehensive income (loss) using the effective interest rate method.

Financial income comprises interest income from invested funds and from finance leases. Accrued interest income is recognized in the consolidated statement of comprehensive income (loss) when earned, using the effective interest rate method.

### (r) Environmental costs

The Corporation expenses recurring costs associated with managing hazardous substances in ongoing operations as incurred.

### (s) Foreign currency translation

The consolidated financial statements are presented in Canadian dollars, which is also the functional currency of the Corporation.

Foreign currency transactions are translated into the functional currency using the exchange rates prevailing at the respective date of the transaction.

Monetary items in foreign currency are translated into Canadian dollars at the closing rate at the reporting date.

Non-monetary items measured at historical cost are translated using the exchange rates at the date of the transaction and are not remeasured.

Foreign exchange gains or losses are recognized in the consolidated statement of comprehensive income (loss) in the period in which they occur.

### (t) Estimation uncertainty

The preparation of consolidated financial statements in conformity with IFRS requires management to make judgments, estimates and assumptions that affect the application of accounting policies as well as the reported amounts of assets, liabilities, the disclosure of contingent assets and contingent liabilities at the date of the consolidated financial statements and reported amounts of revenues and expenses during the period. These estimates and assumptions are based on historical experience, future expectations as well as other relevant factors that are reviewed on an on-going basis. Revisions to accounting estimates are recognized in the period in which the estimates are revised, and any future periods affected. Actual results may differ from these estimates.

The following are the most important accounting policies subject to such judgments and the key sources of estimation uncertainty that the Corporation believes could have the most significant impact on the results and financial position.

#### **Key sources of estimation uncertainty**

##### Asset impairment

The Corporation must assess the possibility that the carrying amounts of tangible assets may not be recoverable. Impairment testing is performed whenever there is an indication of impairment. Significant management estimates are required to determine the recoverable amount of the CGU, including estimates of fair value, selling costs or the discounted future cash flows related to the CGU. Differences in estimates could affect whether tangible assets are in fact impaired and the dollar amount of that impairment.

##### AIF

AIF are recognized when departing passengers board the aircraft using information from air carriers obtained after the boarding has occurred. Therefore, management estimates AIF using information obtained from carriers, if available, as well as their knowledge of the market, economic conditions and historical experience.





# Consolidated Financial Statements

Notes to Consolidated Statements (In thousands of Canadian dollars) | Year ended December 31, 2022

## 1. Significant accounting policies (continued)

### (t) Estimation uncertainty (continued)

#### *Key sources of estimation uncertainty (continued)*

##### Loss allowance

The Corporation makes an assessment as to whether accounts receivable are collectable, based on an expected credit loss model which factors in changes in credit quality since the initial recognition of trade accounts receivable based on customer risk categories. Credit quality is assessed by taking into account the financial condition and payment history of the Corporation's customers, and other factors. Furthermore, these estimates must be continuously evaluated and updated. The Corporation is not able to predict changes in the financial condition of its customers, and if circumstances related to its customers' financial condition deteriorate, the estimates of the recoverability of trade accounts receivable could be materially affected and the Corporation could be required to record additional allowances. Alternatively, if the Corporation provides more allowances than needed, a reversal of a portion of such allowances in future periods may be required based on actual collection experience.

##### Defined benefit obligation

Management estimates the defined benefit obligation annually with the assistance of independent actuaries; however, the actual outcome may vary due to estimation uncertainties. The estimate of the Corporation's defined benefit obligation is based on management's best estimate

of the discount rate, salary escalations, retirement ages of employees and expected retirement benefits. The discount rate is determined by reference to high-quality corporate bonds that have terms to maturity approximating the terms of the related pension obligation.

#### *Judgments made in relation to applied accounting policies*

##### Leases

As a lessor, the Corporation's assessment of lease transactions is not always conclusive, and management uses its judgment in determining whether the lease is a finance lease arrangement that transfers substantially all the risks and rewards incidental to ownership to the lessee.

As a lessee, the Corporation uses its judgment to assess if a contract contains or is a lease. Leases that are recognized are subject to further estimation and judgments in various areas specific to the arrangement.

When a lease contract includes renewal or termination options, management must use their best estimate to determine the lease term by considering all facts and circumstances to determine if there is an economic benefit to exercise an extension option or to not exercise a termination option. The Corporation reassesses if it is reasonably certain that it will exercise the options when a significant event or change in circumstances occurs that has an impact on the initial assessment.

Lease liabilities are reviewed when a significant event or change in circumstances occurs.

### (u) New standards and future changes in accounting methods

The IASB has issued new standards and amendments to current standards that are mandatory but not yet effective for the year ended December 31, 2022. The Corporation does not expect the new standards and amendments to existing standards issued but not yet effective to have a material impact on its consolidated financial statements.

## 2. Cash and cash equivalents

	2022	2021
Cash	\$ 161,018	\$ 417,940
Cash equivalents	389,217	-
	<b>\$ 550,235</b>	<b>\$ 417,940</b>

As at December 31, 2022, cash and cash equivalents consist of guaranteed investment certificates ("GICs") with a term to maturity of three months or less upon acquisition, at an interest rate of 5.05%.

## 3. Restricted cash

Under the terms of the master trust indenture and Series N, R and S supplemental indentures, the Corporation is required to maintain a debt service reserve fund in the form of cash, investments or letters of credit to cover the principal and interest payments to be made on the long-term bonds in the upcoming six-month period, amounting to \$75,542 (2021 - \$75,116). As at December 31, 2022, \$57,441 (2021 - \$56,492) was held as restricted cash and \$18,657 (2021 - \$18,657) was issued as letters of credit.



## Consolidated Financial Statements

Notes to Consolidated Statements (In thousands of Canadian dollars) | Year ended December 31, 2022

### 4. Government grants

During the first quarter of 2022, the Corporation qualified for the Tourism and Hospitality Recovery Program (“THRP”), a program to help support employers that have been affected by the COVID-19 pandemic. The THRP replaced the Canada Emergency Wage Subsidy program (“CEWS”) which ended in October 2021. The Corporation recorded a total gross amount of \$3,150 under the THRP program (2021 - \$15,688 under the CEWS and THRP) in “Salaries and benefits” in the consolidated statement of comprehensive income (loss). As at December 31, 2022, there was no outstanding amount receivable for the THRP (2021 - \$3,122).

During the year, the Corporation benefited from various subsidies to cover operating expenses related to certain requirements imposed by the federal government for travellers transiting through Canadian airports.

An amount of \$5,341 (2021 - 65,880) was recorded in the consolidated statement of comprehensive income (loss) net of the related costs. Of this sum, \$740 (2021 - \$13,443) is still receivable as at December 31, 2022.

The Corporation also benefited from grants through Transport Canada’s Airport Critical Infrastructure Program (“ACIP”) to help larger airports to make investments in safety, security or connectivity to mass transit and COVID-19 testing and controls. Consequently, acquisitions related to the airport program were reduced by \$32,425 (2021 - nil) whereas work related to the Réseau express métropolitain (“REM”) was reduced by \$42,785 (2021 - \$5,339). As at December 31, 2022, \$32,425 (2021 - nil) and \$16,485 (2021 - \$5,339) are recorded, respectively, under “Government grants receivable” in the consolidated statement of net assets.

Finally, grants totalling \$2,852 (2021 - \$12,446) related to various other infrastructure programs remain receivable as at December 31, 2022.

### 5. Trade and other receivables

	2022	2021
Trade accounts receivable	\$ 18,537	\$ 16,144
Loss allowance	(394)	(496)
	<b>\$ 18,143</b>	<b>\$ 15,648</b>
AIF, landing and terminal charges	\$ 19,570	\$ 12,156
Concession revenues	3,588	2,057
Insurance premiums	-	460
Other	196	270
	<b>\$ 23,354</b>	<b>\$ 14,943</b>
	<b>\$ 41,497</b>	<b>\$ 30,591</b>

# Consolidated Financial Statements

Notes to Consolidated Statements (In thousands of Canadian dollars) | Year ended December 31, 2022

## 6. Property and equipment

2022

	Land	Buildings and leasehold improvements	Civil infrastructures	Furniture and equipment	Technological and electronic equipment	Vehicles	Construction projects in progress	Total
<b>Cost:</b>								
Beginning balance	\$ 41,241	\$ 2,204,430	\$ 1,096,793	\$ 372,291	\$ 235,545	\$ 89,303	\$ 268,429	\$ 4,308,032
Acquisitions	-	29,411	26,166	6,983	7,868	5,442	30,865	106,735
Transfers and others	-	-	-	-	-	-	(38,722)	(38,722)
Disposals and write-offs	-	-	-	-	-	(60)	-	(60)
Ending balance	41,241	2,233,841	1,122,959	379,274	243,413	94,685	260,572	4,375,985
<b>Depreciation and impairment:</b>								
Beginning balance	1,699	1,000,313	495,256	237,655	185,272	49,566	-	1,969,761
Depreciation	474	77,818	44,996	12,444	15,771	6,884	-	158,387
Disposals and write-offs	-	-	-	-	-	(31)	-	(31)
Ending balance	2,173	1,078,131	540,252	250,099	201,043	56,419	-	2,128,117
Net carrying value	\$ 39,068	\$ 1,155,710	\$ 582,707	\$ 129,175	\$ 42,370	\$ 38,266	\$ 260,572	\$ 2,247,868

2021

	Land	Buildings and leasehold improvements	Civil infrastructures	Furniture and equipment	Technological and electronic equipment	Vehicles	Construction projects in progress	Total
<b>Cost:</b>								
Beginning balance	\$ 41,241	\$ 2,201,107	\$ 1,069,867	\$ 368,344	\$ 229,565	\$ 78,461	\$ 280,731	\$ 4,269,316
Acquisitions	-	15,729	26,926	3,947	6,302	11,282	46,018	110,204
Transfers and others	-	-	-	-	-	-	(58,320)	(58,320)
Disposals and write-offs	-	(12,406)	-	-	(322)	(440)	-	(13,168)
Ending balance	41,241	2,204,430	1,096,793	372,291	235,545	89,303	268,429	4,308,032
<b>Depreciation and impairment:</b>								
Beginning balance	1,225	936,348	449,625	225,129	167,946	43,628	-	1,823,901
Depreciation	474	76,371	45,631	12,526	17,473	6,378	-	158,853
Transfers and others	-	-	-	-	-	-	-	-
Disposals and write-offs	-	(12,406)	-	-	(147)	(440)	-	(12,993)
Ending balance	1,699	1,000,313	495,256	237,655	185,272	49,566	-	1,969,761
Net carrying value	\$ 39,542	\$ 1,204,117	\$ 601,537	\$ 134,636	\$ 50,273	\$ 39,737	\$ 268,429	\$ 2,338,271

Also included in buildings and leasehold improvements are assets leased by the Corporation to third parties under operating leases with cost and accumulated depreciation of \$146,596 and \$72,694, respectively (2021 - \$135,167 and \$70,745 respectively).



# Consolidated Financial Statements

Notes to Consolidated Statements (In thousands of Canadian dollars) | Year ended December 31, 2022

## 7. Right-of-use assets

2022	
<b>Beginning balance January 1, 2022</b>	<b>\$ 19,142</b>
<b>Acquisitions</b>	<b>404</b>
<b>Depreciation</b>	<b>(3,872)</b>
<b>Ending balance December 31, 2022</b>	<b>\$ 15,674</b>
2021	
Beginning balance January 1, 2021	\$ 23,053
Acquisitions	612
Depreciation	(4,523)
Ending balance December 31, 2021	\$ 19,142

Right-of-use assets include leases with remaining terms of up to 17 years and possible renewal options for additional periods ranging from 1 to 20 years.

## 8. Investments in joint ventures

Through its wholly owned subsidiary ADMC, the Corporation has investments in companies responsible for the development and management of rental properties in YMX. The Corporation holds a 40% equity interest in Mirabel Cargo LP via Investissements Cargo C&F Mirabel Inc. In addition, in 2022, through Investissements Henri-Fabre Mirabel Inc., it acquired a 33% equity interest in three new joint ventures – SEC YMX 1, SEC YMX 2 and SEC YMX 3 for a total consideration of \$4,500.

## 9. Leases

### (a) The Corporation as lessee

#### *Ground Lease with Transport Canada*

The airport facilities are leased under a long-term lease entered into on July 31, 1992 with Transport Canada (Note 1(j)). As of August 1, 1992, the Corporation assumed the expenditure contracts and became the beneficiary of the revenue contracts in effect at that time. The Ground Lease is for a fixed term of 60 years and can be terminated only in the event of default. In 2012, the Corporation exercised its option to renew the lease for an additional 20 years, thus until July 31, 2072. The Ground Lease was negotiated on an “absolute net” basis, allowing the Corporation peaceful possession of the leased premises.

The Corporation assumes full responsibility for the operation and development of the leased premises, including maintenance and renewal of assets, in order to maintain an integrated airport system in conformity with the standards applicable to a “Major International Airport”.

During the term of the lease, Transport Canada has agreed not to operate any international or transborder airport within a radius of 75 kilometres of the Corporation’s airports.

Transport Canada has agreed to assume the cost of any work ordered through a government notice and relating to the presence of hazardous substances affecting the soil, subterranean water or groundwater or buildings erected on the premises where such substances were present on the takeover date. An environmental audit carried out prior to the takeover constitutes *prima facie* evidence of the condition of the premises.



# Consolidated Financial Statements

Notes to Consolidated Statements (In thousands of Canadian dollars) | Year ended December 31, 2022

## 9. Leases (continued)

### (a) The Corporation as lessee (continued)

#### *Ground Lease with Transport Canada (continued)*

Ground rent is calculated as a percentage of revenues using a sliding scale percentage of airport revenues, as defined in the long-term lease between Transport Canada and the Corporation, according to the following ranges:

Airport revenue	Percentage
Less than or equal to \$5,000	-%
\$5,001 to \$10,000	1%
\$10,001 to \$25,000	5%
\$25,001 to \$100,000	8%
\$100,001 to \$250,000	10%
Exceeding \$250,000	12%

Furthermore, rent to Transport Canada includes depreciation of land transferred to His Majesty as described in Note 1(i).

Since the rent is calculated based on airport revenues, "Transport Canada rent" expense in the consolidated statement of comprehensive income (loss) is considered a variable rent.

The federal government granted the Corporation a deferral of the 2021 rent payment of \$24,816. 2021 deferred rent will be payable in equal installments over a ten-year period beginning in 2024.

#### *Other leases*

The Corporation enters into leases and service contracts with embedded leases for real estate, technological equipment and vehicles. Leases with a variable rent that are not based on a rate or an index, short-term leases (less than 12 months) and leases of low-value underlying assets are not reflected on the consolidated statement of net assets.

The aggregate amounts of principal payments required for the next five reporting periods and thereafter are as follows (see additional information on Note 17):

Minimum payments due	2022	2021
Within 1 year	\$ 2,365	\$ 3,096
1 to 5 years	6,054	6,888
After 5 years	15,144	16,576
	\$ 23,563	\$ 26,560

### (b) The Corporation as lessor

The Corporation leases out, under operating leases, real estate. Many leases include renewal options, in which case they are subject to market price revisions. The lessee does not have the option to acquire the leased assets at the end of the lease. Variable rents amount to \$39,007 (2021 - \$10,619) and represent the difference between the agreed-upon percentages of reported sales and specified minimum rental payments.

Future minimum lease income from non-cancellable leases are as follows:

Minimum lease income	2022	2021
Within a year	\$ 89,262	\$ 78,451
1 to 5 years	340,278	310,666
After 5 years	761,430	747,826
	\$ 1,190,970	\$ 1,136,943

The Corporation subleases certain parcels of land on the airport territory to third parties. Subleases that have a contract term that covers most of the remaining term of the Corporation's head lease with Transport Canada are accounted for as finance leases.

## Consolidated Financial Statements

Notes to Consolidated Statements (In thousands of Canadian dollars) | Year ended December 31, 2022

### 9. Leases (continued)

#### (b) The Corporation as lessor (continued)

The undiscounted lease payments to be received are as follows:

	2022	2021
Within 1 year	\$ 1,908	\$ 1,168
1 to 5 years	7,764	4,906
More than 5 years	107,947	72,423
Undiscounted lease payments receivable	117,619	78,497
Unearned finance income	(67,402)	(45,299)
Net investment in finance leases	\$ 50,217	\$ 33,198

The net investment in finance leases is included in current and non-current assets in the consolidated statement of net assets.

### 10. Credit facilities

**a)** The Corporation has an available \$250,000 credit facility for general use (2021 - \$250,000) from a Canadian banking consortium, of which \$150,000 expires on April 4, 2027 and \$100,000 on May 4, 2023. The credit facility is secured by a bond issued pursuant to the terms of the trust indenture described in Note 11.

The Corporation has the option to draw on the credit facility at a variable interest rate based on prime rate or at a fixed interest rate based on the banker's acceptance rate plus a premium of 70 basis points (2021 - 80 basis points). Standby fees are calculated at an annual rate of 14 basis points (2021 - 16 basis points) on the unused portion of the credit facility.

A portion of this credit facility was used to issue letters of credit totalling \$23,776 (2021 - \$22,614). These letters of credit are subject to the same terms and conditions as the credit facility.

In addition, an amount of \$53,126 (2021 - \$36,972) of the credit facility is restricted for the operating and maintenance contingency fund under the master trust indenture (Note 11).

**b)** As part of the financing of the construction of the REM station at Montréal-Trudeau, Investissement Québec granted the Corporation a \$100,000 five-year senior subordinated credit facility at a rate equivalent to that of a senior secured debt of the Corporation with a term to maturity of five years. The rate will be set and the term will take effect at the first draw-down date. The Corporation may prepay the loan, in whole or in part, without penalty in accordance with the terms of the agreement. As at December 31, 2022, no amount has been drawn on the credit facility.

Furthermore, the Canada Infrastructure Bank will also make available to the Corporation two tranches (A and B), up to \$150,000 each, in the form of a non-revolving senior subordinated credit facility. Tranche A will bear interest at a rate of 2.142% and mature on July 26, 2031. Tranche B, maturing on July 26, 2041, will bear interest at a rate of 2.142% for the first ten years. As of the tenth-year anniversary date and until the end of the term, Tranche B will bear interest at a rate equivalent to that of a senior secured debt of the Corporation, plus 0.75%. The Corporation may prepay the loans, in whole or in part, without penalty in accordance with the terms of the agreement. As at December 31, 2022, no amount has been drawn on the credit facility.





# Consolidated Financial Statements

Notes to Consolidated Statements (In thousands of Canadian dollars) | Year ended December 31, 2022

## 11. Long-term bonds

	2022	2021
<b>Series B bonds</b> , face value at issuance of \$300,000, coupon and effective interest rates of 6.95% and 7.10%, respectively, interest payable on April 16 and October 16 of each year, beginning October 16, 2002, principal payable on April 16 and October 16 of each year, beginning October 16, 2007 and maturing April 16, 2032	\$ 212,872	\$ 225,441
<b>Series D bonds</b> , face value at issuance of \$200,000, coupon and effective interest rates of 6.55% and 6.87%, respectively, interest payable on April 11 and October 11 of each year, beginning April 11, 2004 and maturing October 11, 2033, with principal due at maturity	195,048	194,756
<b>Series E bonds</b> , face value at issuance of \$150,000, coupon and effective interest rates of 6.61% and 6.98%, respectively, interest payable on April 11 and October 11 of each year, beginning April 11, 2004, principal payable on April 11 and October 11 of each year, beginning April 11, 2009 and maturing October 11, 2033	114,012	119,162
<b>Series G bonds</b> , face value at issuance of \$300,000, coupon and effective interest rates of 5.17% and 5.45%, respectively, interest payable on March 17 and September 17 of each year, beginning March 17, 2006 and maturing September 17, 2035, with principal due at maturity	292,392	291,993
<b>Series H bonds</b> , face value at issuance of \$300,000, coupon and effective interest rates of 5.67% and 5.74%, respectively, interest payable on April 16 and October 16 of each year, beginning April 16, 2008 and maturing October 16, 2037, with principal due at maturity	297,649	297,564
<b>Series J bonds</b> , face value at issuance of \$150,000, coupon and effective interest rates of 5.47% and 5.55%, respectively, interest payable on April 16 and October 16 of each year, beginning October 16, 2010 and maturing April 16, 2040, with principal due at maturity	148,739	148,702
<b>Series K bonds</b> , face value at issuance of \$250,000, coupon and effective interest rates of 3.92% and 3.96%, respectively, interest payable on March 26 and September 26 of each year, beginning September 26, 2012 and maturing September 26, 2042, with principal due at maturity	248,709	248,666
<b>Series M bonds</b> , face value at issuance of \$200,000, coupon and effective interest rates of 3.92% and 3.96% <sup>(a)</sup> , respectively, interest payable on June 12 and December 12 of each year, beginning December 12, 2015 and maturing June 12, 2045, with principal due at maturity	198,823	198,791
<b>Series N bonds</b> , face value at issuance of \$250,000, coupon and effective interest rates of 3.36% and 3.40%, respectively, interest payable on April 24 and October 24 of each year, beginning October 24, 2017 and maturing April 24, 2047, with principal due at maturity	248,475	248,435
<b>Series R bonds</b> , face value at issuance of \$500,000, coupon and effective interest rates of 3.03% and 3.05%, respectively, interest payable on April 21 and October 21 of each year, beginning October 21, 2020 and maturing April 21, 2050, with principal due at maturity	496,878	496,764
<b>Series S bonds</b> , face value at issuance of \$400,000, coupon and effective interest rates of 3.441% and 3.46%, respectively, interest payable on April 26 and October 26 of each year, beginning October 26, 2021 and maturing April 26, 2051, with principal due at maturity	397,480	397,392
	<b>2,851,077</b>	2,867,666
Current portion of long-term bonds	20,357	18,216
	<b>\$ 2,830,720</b>	\$ 2,849,450

<sup>a)</sup> If the loss on the cash flow hedge is considered, the all-inclusive effective interest rate is 4.98%.



# Consolidated Financial Statements

Notes to Consolidated Statements (In thousands of Canadian dollars) | Year ended December 31, 2022

## 11. Long-term bonds (continued)

The long-term bonds are presented net of related debt issue costs amounting to \$29,416 (2021 - \$31,043).

The Corporation's bonds are secured by a hypothec on the universality of the present and future assets of the Corporation. The master trust indenture, security or any other additional security will not be published or registered at any time against or in respect of any real or immovable property. Until the bonds are repaid in full, the Corporation is required to meet various financial covenants, such as maintaining a gross debt service coverage ratio equal to or greater than 1.25 and a debt service coverage ratio equal to or greater than 1.00. As at December 31, 2022, the Corporation was in compliance with the various financial covenants of the master trust indenture despite having obtained a temporary waiver in March 2021 for 2021 and 2022.

The bonds are redeemable in whole or in part at any time at the Corporation's option. The redemption price is equal to the greater of the aggregate principal amount remaining unpaid on the bond and the price which will provide a yield to maturity on such bond, equal to the yield to maturity of a Government of Canada bond with a term to maturity, calculated from the redemption date, equal to the average life of the bond to be redeemed plus a premium. This premium is equal to 0.24%, 0.34%, 0.35%, 0.25%, 0.29%, 0.34%, 0.38%, 0.37%, 0.30%, 0.44% and 0.34% per year for Series B, Series D, Series E, Series G, Series H, Series J, Series K, Series M, Series N, Series R and Series S bonds, respectively.

The aggregate amounts of principal payments required for the next five reporting periods and thereafter are as follows:

Minimum payments due	2022	2021
Within 1 year	\$ 20,357	\$ 18,216
1 to 5 years	106,364	96,006
After 5 years	2,753,772	2,784,487
	<b>\$ 2,880,493</b>	<b>\$ 2,898,709</b>

The fair value of the long-term bonds is as follows:

	2022	2021
Series B	\$ 233,541	\$ 282,142
Series D	227,440	276,280
Series E	126,125	151,743
Series G	306,000	379,410
Series H	322,590	403,440
Series J	158,925	201,720
Series K	217,625	284,175
Series M	172,840	229,360
Series N	195,500	264,500
Series R	362,800	500,400
Series S	314,240	432,160
	<b>\$ 2,637,626</b>	<b>\$ 3,405,330</b>

## Consolidated Financial Statements

Notes to Consolidated Statements (In thousands of Canadian dollars) | Year ended December 31, 2022

### 12. Provisions

2022		Total
<b>Balance as at January 1, 2022</b>	<b>\$</b>	<b>3,853</b>
<b>Increase of provisions</b>		<b>177</b>
<b>Decrease of provisions</b>		<b>(1,271)</b>
<b>Balance as at December 31, 2022</b>	<b>\$</b>	<b>2,759</b>

2021		Total
Balance as at January 1, 2021	\$	8,570
Increase of provisions		1,420
Decrease of provisions		(6,137)
Balance as at December 31, 2021	\$	3,853

Provisions include amounts stemming from claims submitted by various suppliers and/or clients and relate namely to construction-in-progress projects. The provisions relating to these claims were recorded according to management's best estimate of the outflow required to settle the obligation based on its experience of similar transactions. None of the provisions will be discussed in further detail, so as not to prejudice the Corporation's position in the related claims.

### 13. Pension benefit liability and other employee liabilities

#### (a) Pension benefit liability and other employee liabilities

The liabilities recognized as pension benefit liability and other employee liabilities in the consolidated statement of net assets consist of the following amounts:

	2022	2021
Current:		
Other current employee liabilities	<b>\$ 16,838</b>	\$ 13,944
Non-current:		
Defined benefit plans and defined contribution supplemental plan	<b>\$ 12,433</b>	\$ 25,996

The current portion of these liabilities represents the Corporation's obligations to its current and former employees that are expected to be settled one year from the reporting period, as salary, accrued vacation and holiday entitlement.

The non-current portion represents the pension benefit liability related to the defined benefit component that the Corporation provides to employees, as well as the supplemental pension plans offered to designated officers of the Corporation.

The defined benefit component of the employee pension plan provides pension benefits to retiring employees based on length of service and average final earnings.

As at December 31, 2022, the outstanding balance of contributions is \$359 (2021 - \$373).



# Consolidated Financial Statements

Notes to Consolidated Statements (In thousands of Canadian dollars) | Year ended December 31, 2022

## 13. Pension benefit liability and other employee liabilities (continued)

### (a) Pension benefit liability and other employee liabilities (continued)

Details of the change in the defined benefit pension liability and the defined contribution supplemental pension liability are as follows:

	2022	2021
Defined benefit obligation, beginning of year	\$ 392,398	\$ 422,516
Current service cost	5,080	6,205
Employee contributions	984	1,040
Interest cost	12,137	11,531
Benefits paid	(15,589)	(17,156)
Actuarial losses (gains) due to experience adjustments	1,711	(6,123)
Actuarial gains due to change in financial assumptions	(85,166)	(25,615)
Actuarial losses due to change in demographic assumptions	1,282	-
Defined benefit obligation, end of year	\$ 312,837	\$ 392,398
Fair value of plan assets, beginning of year	\$ 366,402	\$ 369,648
Employer contributions	4,488	5,133
Employee contributions	984	1,040
Expected return on plan assets	11,373	10,006
Actuarial losses	(66,854)	(1,869)
Benefits paid	(15,589)	(17,156)
Administrative fees	(400)	(400)
Fair value of plan assets, end of year	300,404	366,402
Pension benefit liability	\$ 12,433	\$ 25,996

All defined benefit plans are partially funded. Moreover, the Corporation issued letters of credit mainly to extend the solvency deficiency payment of its employees' defined benefit pension plan. As at December 31, 2022, the outstanding amount of these letters of credit was \$46,673 (2021 - \$43,005).

The significant actuarial assumptions adopted are as follows:

	2022	2021
Corporation's defined benefit obligation as at the reporting date:		
Discount rate	5.05 %	3.15 %
Rate of compensation increase	3.00	3.00
Inflation rate	2.00	2.00
Net benefit plan expense for reporting years:		
Discount rate	3.15	2.75
Rate of compensation increase	3.00	3.00
Inflation rate	2.00	2.00

Mortality assumptions as at December 31, 2021 and 2022 are based on the mortality table CPM2014 with mortality improvement adjusted to the MI-2017 scale.

The Corporation's defined benefit pension plans and the defined contribution supplemental plan expense is as follows:

	2022	2021
Current service cost	\$ 5,080	\$ 6,205
Net interest cost	764	1,525
Administrative fees	400	400
Net benefit plan expense	\$ 6,244	\$ 8,130



# Consolidated Financial Statements

Notes to Consolidated Statements (In thousands of Canadian dollars) | Year ended December 31, 2022

## 13. Pension benefit liability and other employee liabilities (continued)

### (a) Pension benefit liability and other employee liabilities (continued)

The distribution of total fair value of assets of the pension plans by major asset category is as follows:

	Level	2022	2021
Cash		\$ 3,669	\$ 3,037
Annuity buy-in contracts	3	198,184	198,478
Mutual funds - Canadian bonds	2	34,435	73,347
Mutual funds - Foreign equities	2	29,161	49,030
Mutual funds - Infrastructure	3	20,346	17,936
Mutual funds - Real estate	3	7,457	8,785
Mutual funds - Canadian equities	2	7,979	16,576
Others		(827)	(787)
		\$ 300,404	\$ 366,402

The Pension Committee prepares the documentation relating to the management of asset allocation. The audit and risk management committee reviews the investment policy and recommends it to the Board of Directors for approval in the event of material changes to the policy. Quarterly monitoring of the asset allocation plan allows the Pension Committee, and ultimately the Audit and Risk Management Committee, to ensure that the limits of asset allocation of the entire plan are respected.

Contributions in 2023 for both components of the employee pension plan are expected to approximate \$7,600, of which \$1,100 will be issued as a letter of credit to fund the deficit.

The actuarial report for the year ended December 31, 2022 was unavailable at the reporting date. However, management considers the extrapolation of the December 31, 2021 figures to be the best method to estimate the Corporation's defined benefit obligation and expense as at December 31, 2022 and for the year ended at that date. The revised assumptions used to extrapolate have been reviewed and deemed accurate.

The pension plans expose the Corporation to the following risks:

(i) Investment risk:

The defined benefit obligation is calculated using a discount rate. If the fund's returns are lower than the discount rate, a deficit is created. The Corporation's strategy includes the purchase of annuity buy-in contracts. The fair value of annuity buy-in contracts is equal to the defined benefit obligation of the participants covered by the purchase of such annuities calculated according to the assumptions applicable at the closing date.

(ii) Interest rate risk:

The variance of bond rates will affect the value of the defined benefit obligation.

(iii) Longevity risk:

An improvement in life expectancy greater than projected in the mortality tables used will increase the value of the defined benefit obligation.

(iv) Inflation risk:

The defined benefit obligation is calculated assuming a certain level of inflation. An actual inflation higher than expected will have the effect of increasing the value of the defined benefit obligation.

# Consolidated Financial Statements

Notes to Consolidated Statements (In thousands of Canadian dollars) | Year ended December 31, 2022

## 13. Pension benefit liability and other employee liabilities (continued)

### (a) Pension benefit liability and other employee liabilities (continued)

The pension plans expose the Corporation to the following risks (continued):

#### (v) Sensitivity analysis:

As at December 31, 2022, reasonably possible changes in relevant actuarial assumptions would affect the defined benefit obligation by the following amounts (other assumptions being constant):

	Impact on total obligation	Impact on obligation excluding annuity buy-in contracts <sup>(a)</sup>
Interest rate: decrease of 1%	\$ 46,461	\$ 23,725
Inflation rate: increase of 1%	39,053	16,688
Rate of compensation increase: increase of 1%	3,401	3,401
Mortality: multiplication rate by 99%	629	174

(a) The variation of certain assumptions on the defined benefit obligation related to the annuity buy-in contracts has a corresponding, or close to, impact on the asset value, mitigating the pension plan's risk.

As at December 31, 2022, the weighted average duration of the defined benefit obligation amounted to 14.9 years (2021 - 18.2 years).

### (b) Employee benefits expense

Expenses recognized for employee benefits in "Salaries and benefits" are set out below:

	2022	2021
Salaries and benefits	\$ 62,844	\$ 42,334
Pension - defined benefit	6,112	7,958
Pension - defined contribution	2,340	2,140
	\$ 71,296	\$ 52,432

The Corporation recorded a total gross amount of \$3,150 under the THRP program (2021 - \$15,688 under the CEWS and THRP) in reduction of "Salaries and benefits" in the consolidated statement of comprehensive income (loss) (Note 4).

## 14. Income taxes

As at December 31, 2022, the subsidiary has accumulated non-capital losses of \$2,783 to reduce future years' taxable income. These losses expire as follows: \$1,503 in 2031, \$57 in 2032, \$700 in 2033, \$224 in 2036, \$199 in 2037, \$46 in 2039 and \$54 in 2042.



# Consolidated Financial Statements

Notes to Consolidated Statements (In thousands of Canadian dollars) | Year ended December 31, 2022

## 15. Information included in the statement of comprehensive income (loss)

	Note	2022	2021
Rendering of services		\$ 499,859	\$ 177,772
Revenues derived from operating leases		133,163	97,503
Gain on subleases		17,042	1,721
Government grants		1,350	156
Other income		725	593
		<b>\$ 652,139</b>	<b>\$ 277,745</b>
Financial expenses:			
Interest on long-term bonds		\$ 132,033	\$ 128,831
Interest on lease liabilities		1,661	1,726
Amortization of debt issue costs		1,627	1,551
Reclassification of losses on cash flow hedges <sup>(a)</sup>		1,087	1,086
Capitalized interest on property and equipment <sup>(b)</sup>		(4,882)	(1,199)
Consent fees	11	-	3,328
Other		1,041	1,409
		<b>\$ 132,567</b>	<b>\$ 136,732</b>
Financial income:			
Interest on short-term investments		\$ (11,584)	\$ (2,597)
Interest on finance leases		(1,544)	(1,264)
Other		(375)	(13)
		<b>\$ (13,503)</b>	<b>\$ (3,874)</b>

(a) Cumulative losses on hedge transactions included in other comprehensive income (loss) is \$24,270 (2021 - \$25,357).

(b) The weighted average cost of capital used to capitalize borrowing costs is 4.94% (2021 - 4.96%).

## 16. Airport improvement fees

The Corporation introduced AIF for all passengers departing from YUL. These fees are used entirely to finance part of the Corporation's capital investment program for YUL. The Corporation also collected AIF from passengers departing from YMX from 2001 to 2004, at which time it stopped financing YMX's investments with AIF. These fees are collected by the airlines in the price of a plane ticket and are remitted to the Corporation, net of airline collection fees. Since its inception, cumulative capital expenditures totalled \$4,222,000 (2021 - \$4,154,000), exceeding the cumulative amount of gross AIF collected (excluding airline collection fees) by \$1,492,000 (2021 - \$1,631,000) for both airports.

## 17. Information included in cash flows

The changes in working capital items are detailed as follows:

	2022	2021
Government grants receivable	\$ (18,152)	\$ (9,028)
Trade and other receivables	(15,584)	2,546
Other current assets	(1,368)	1,819
Trade and other payables	28,931	5,821
Transport Canada rent	42,790	-
Other employee liabilities	2,894	3,062
Provisions	(1,094)	(4,746)
	<b>\$ 38,417</b>	<b>\$ (526)</b>

# Consolidated Financial Statements

Notes to Consolidated Statements (In thousands of Canadian dollars) | Year ended December 31, 2022

## 17. Information included in cash flows (continued)

The reconciliation of movements of liabilities to cash flows arising from financing activities is as follows:

	Long-term bonds <sup>(a)</sup>	Lease liabilities	Total
<b>Balance as at January 1, 2022</b>			<b>\$ 2,921,996</b>
<i>Changes from financing cash flows</i>	\$ 2,895,436	\$ 26,560	<b>\$ 2,921,996</b>
Repayments	(18,216)	(3,400)	<b>(21,616)</b>
<i>Liability-related changes</i>			
Increase in lease liabilities	-	403	<b>403</b>
Capitalized interest	4,882	100	<b>4,982</b>
Interest expense	127,151	1,661	<b>128,812</b>
Amortization of debt issue costs	1,627	-	<b>1,627</b>
Interest paid	(132,297)	(1,761)	<b>(134,058)</b>
<b>Balance as at December 31, 2022</b>	<b>\$ 2,878,583</b>	<b>\$ 23,563</b>	<b>\$ 2,902,146</b>

(a) Balances include accrued interest.

Additions to property and equipment included in trade and other payables totalled \$77,489 (2021 - \$47,006).

## 18. Related party transactions

The Corporation's related parties include key management personnel. None of the transactions incorporate special terms and conditions, and no guarantees were given or received.

Key management of the Corporation are members of the Board of Directors, the President and Vice-presidents. Their remuneration, including severance pay, is \$7,658 in 2022 (2021 - \$6,450).

## 19. Contingent assets and contingent liabilities

The Corporation is party to legal proceedings in the normal course of operations involving financial demands which are being contested. Unless recognized as a provision (Note 12), management considers these claims to be unjustified and the probability that they will require settlement at the Corporation's expense to be remote. Management believes that the resolution of these claims will not have a significant adverse effect on the Corporation's consolidated financial statements.

## 20. Commitments

The Corporation entered into contracts for the acquisition and construction of property and equipment totalling \$332,957 (2021 - \$108,073) of which \$277 (2021 - \$1,331) are denominated in foreign currencies.

## 21. Financial instruments

### (a) Financial risk management objectives and policies

The Corporation is exposed to various financial risks, including foreign exchange risk, interest rate risk, credit risk and liquidity risk resulting from its operations and business activities. Management is responsible for setting acceptable levels of these risks and reviewing their respective impact on the Corporation's activities.

The Corporation does not enter into financial instrument agreements, including derivative financial instruments, for speculative purposes.



# Consolidated Financial Statements

Notes to Consolidated Statements (In thousands of Canadian dollars) | Year ended December 31, 2022

## 21. Financial instruments (continued)

### (b) Fair value and classification of financial instruments

The following table provides the carrying amount and the fair value of financial assets and financial liabilities, including their fair value hierarchy class. It does not include information on the fair value of financial assets and financial liabilities that are not measured at fair value if the carrying amount is comparable. The Corporation has determined that the fair value of current financial assets and liabilities (other than those described below) is comparable to their respective carrying amount at the closing date, given their short maturity periods.

As at December 31, the classification of other financial instruments, their fair value hierarchy class, as well as their carrying amount and respective fair value, are as follows:

	Level	Carrying amount Financial liabilities at amortized cost	Fair value
<b>Financial liabilities as at December 31, 2022:</b>			
Long-term bonds	2	\$ 2,851,077	\$ 2,637,626
Financial liabilities as at December 31, 2021:			
Long-term bonds	2	\$ 2,867,666	\$ 3,405,330

The fair value of long-term bonds has been determined based on comparable quoted market prices adjusted for the Corporation's risk premium.

### (c) Foreign exchange risk

The Corporation is exposed to foreign exchange risk due to purchases of goods and services in the regular course of business and payments received from clients in foreign currencies. Assets and liabilities denominated in foreign currencies converted into Canadian dollars, at the closing rate, are as follows:

	2022	2021
Cash and cash equivalents and trade and other receivables	\$ 475	\$ 788
Trade and other payables	558	-

The Corporation performed a sensitivity analysis on foreign currency rates used to convert assets and liabilities denominated in currencies other than the Canadian dollar. Management concluded that a 5% fluctuation of the foreign currency rates would not significantly impact the Corporation's assets and liabilities. The Corporation does not currently hold any derivative financial instruments to mitigate this risk.

### (d) Interest rate risk

The Corporation's cash equivalents and long-term bonds bear interest at fixed rates. The Corporation has the option to draw on its credit facility for general use at a variable or fixed interest rate (Note 10).

The Corporation's policy, to the extent possible, is to maintain most of its borrowings at fixed interest rates.

The Corporation's cash equivalents, credit facilities and long-term bonds are exposed to a risk of change in their fair value due to changes in the underlying interest rates. A fluctuation of 50 basis points in the interest rate would not have a significant impact on fair value.



## Consolidated Financial Statements

Notes to Consolidated Statements (In thousands of Canadian dollars) | Year ended December 31, 2022

### 21. Financial instruments (continued)

#### (e) Credit risk

Credit risk results from the possibility that a loss may occur from the failure of another party to perform according to the terms of the contract. Generally, the carrying amount of the Corporation's financial assets exposed to credit risk reported in the consolidated net assets, net of any applicable provisions for losses, represents the maximum amount exposed to credit risk.

Financial assets that potentially subject the Corporation to credit risk consist primarily of cash and cash equivalents, restricted cash and trade and other receivables.

#### *Cash and cash equivalents, restricted cash and non-current receivables*

The Corporation has an investment policy which stipulates that the objectives are to preserve capital and liquidity and to maximize the return on invested amounts. The policy specifies permitted types of investment instruments, authorized issuers, the maximum proportion of each type of investment instrument as well as the acceptable credit rating and maximum maturity of certain permitted investments.

Credit risk associated with cash and cash equivalents and restricted cash is substantially mitigated by ensuring that these financial assets are invested with major financial institutions that have been rated as investment grade by a primary rating agency and qualify as creditworthy counterparties.

Impairment on cash and cash equivalents and restricted cash has been measured on the 12-month expected loss basis and reflects the short maturities of the exposures. The Corporation considers that its non-current receivables have low credit risk based on the external credit ratings of the counterparty.

The Corporation did not have any non-current receivables that were past due or impaired as at December 31, 2022.

#### *Trade and other receivables*

Credit risk with respect to trade and other receivables is limited due to the Corporation's credit evaluation process, reasonably short collection terms and the creditworthiness of its customers. The Corporation regularly monitors its credit risk exposures and takes steps to mitigate the likelihood of these exposures from resulting in actual losses. Credit risk related to receivables is also minimized by the fact that the Corporation requires security deposits from certain customers. Also, a portion of aeronautical revenues is invoiced and paid in advance, before services are rendered. A loss allowance is maintained, consistent with the credit risk, historical trends, general economic conditions and other information, as described below, and is taken into account in the consolidated financial statements.

The following table presents information on credit risk exposure and expected credit losses related to trade accounts receivable:

	2022	2021
Current	\$ 14,102	\$ 12,639
30 - 60 days past due	2,067	1,818
61 - 90 days past due	596	422
Over 90 days past due	1,772	1,265
	<b>18,537</b>	16,144
Loss allowance	<b>(394)</b>	(496)
Balance, end of year	<b>\$ 18,143</b>	\$ 15,648

As at December 31, 2022, the Corporation did not record any provisions for specific trade accounts receivable (2021 - \$286 of loss allowance provided for on \$351 worth of trade accounts receivable). Since the expected credit losses related to these accounts are considered as limited, they have not been allocated according to the aging of trade accounts receivable presented in the table above.

# Consolidated Financial Statements

Notes to Consolidated Statements (In thousands of Canadian dollars) | Year ended December 31, 2022

## 21. Financial instruments (continued)

### (f) Liquidity risk

Liquidity risk is the risk that the Corporation will not be able to meet its financial liabilities and obligations as they become due. The Corporation is exposed to this risk mainly through its long-term bonds, credit facility, finance lease liabilities, trade and other payables and contractual commitments. The Corporation finances its operations through a combination of cash flows from operations and long-term borrowings.

Liquidity risk management serves to maintain a sufficient amount of cash and to ensure that the Corporation has financing sources for a sufficient authorized amount. The Corporation establishes budgets, cash estimates and cash management policies to ensure it has the necessary funds to fulfill its obligations in the foreseeable future.

The following table sets out the Corporation's financial liabilities including interest payments, where applicable:

	Lease liabilities	Long-term bonds	Trade and other payables	Total
<b>As at December 31, 2022:</b>				
<b>Within 1 year</b>	\$ 4,042	\$ 151,370	\$ 163,590	\$ 319,002
<b>1 to 5 years</b>	11,993	614,415	-	626,408
<b>After 5 years</b>	24,079	4,377,828	-	4,401,907
<b>As at December 31, 2021:</b>				
Within 1 year	\$ 4,849	\$ 150,513	\$ 132,085	\$ 287,447
1 to 5 years	13,141	610,804	-	623,945
After 5 years	26,873	4,532,809	-	4,559,682

Given the amount available under its credit facility, the amount of cash and cash equivalents and the timing of liability payments, Management assesses the Corporation's liquidity risk as low.



# Consolidated Financial Statements

Notes to Consolidated Statements (In thousands of Canadian dollars) | Year ended December 31, 2022

## 22. Capital management

The Corporation's primary objectives when managing capital are: (i) to safeguard the Corporation's ability to continue as a going concern; and (ii) to provide financial capacity and flexibility to meet strategic objectives and growth.

The capital structure of the Corporation consists of cash and cash equivalents, restricted cash as well as long-term bonds and credit facilities. As described in Note 1, the Corporation does not have any share capital. Accordingly, it is funded through cash flows, the issuance of bonds and other borrowings, as required.

A summary of the Corporation's capital structure is as follows:

	2022	2021
Long-term bonds	\$ 2,851,077	\$ 2,867,666
Cash and cash equivalents and restricted cash	(607,676)	(474,432)
	<b>\$ 2,243,401</b>	<b>\$ 2,393,234</b>

The Corporation manages its capital structure in accordance with its expected business growth, operational objectives and underlying industry, market and economic conditions. Consequently, the Corporation has developed a financial model, which enables it to estimate its capital requirements while ensuring that all financial covenants of the trust indenture are respected. Management reviews this financial model periodically and incorporates it in its five-year strategic plan presented and approved annually by its Board of Directors.

The Corporation's strategy for managing capital remained unchanged from 2021.





# TO CONTACT US

## ADM Aéroports de Montréal

800 Leigh-Capreol Place, Suite 1000  
Dorval, Québec, CANADA H4Y 0A5

## General Information

Telephone: 514-394-7201  
info@admtl.com

ADM wishes to thank all the devoted employees and suppliers whose pictures appear in this Annual Report.

*The original text written in French shall prevail.  
Ce document est également diffusé en français.*



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