



Annual general meeting – June 2023

Robin Silvester, president and CEO

Welcome remarks

Good afternoon, everyone!

My name is Robin Silvester, and I'm president and CEO of the Vancouver Fraser Port Authority. Thank you for joining us for our annual general meeting.

Before we begin, I'd like to acknowledge that our team here is speaking from our Canada Place offices, which are on the traditional territories of the Musqueam, Squamish, and Tsleil-Waututh Peoples—and offer them my thanks. I'd also like to acknowledge and thank all Nations from whose traditional territories our participants are joining today.

I'm here with Judy Rogers, chair of the port authority's board of directors, and our CFO, Victor Pang. Our executive leadership team is also in attendance and will be available to respond to questions during our Q and A.

As a quick note, if anyone needs technical assistance today, there are call-in numbers on the event invitation and our team will be happy to assist you. Also, we have French-language translation available in real-time for this meeting, which you can activate by clicking on the interpretation icon at the bottom of your screen.

Turning to our meeting, under the *Canada Marine Act*, Canada Port Authorities are required to hold an AGM every year that is open to the public and held in the municipality where the port is situated. We're pleased to do that today, and to offer this meeting in a virtual format to support broad, geographically diverse participation, aligned with the Port of Vancouver's role as Canada's largest port.

Under the *Act*, there are certain requirements for these meetings. To fulfill those, we will release audited financial statements; we will announce an auditor for the current year; and the executive leadership team, including myself, will be available to answer questions.

To give you our run-of-show, we'll begin with opening remarks from our chair, Judy Rogers; then I'll provide year-in-review remarks; next, our CFO, Victor Pang, will present the port authority's 2022 financial results; and finally, we'll move to a Q and A period, and we'll alternate between pre-submitted questions and your questions coming in live. To submit a question, please use the Q and A function at the bottom of your screen.

Year-in-review remarks

Thank you, Judy. Let me comment on that straight away and then I'll move into my year-in-review comments. I joined the port authority 14 years ago and it's been a privilege to lead the organization through a defining period of this port's growth. Now, with the recent federal project approval of Roberts Bank Terminal 2—our most significant strategic priority of the last decade—it's the right time for me to find a new challenge and make space for a new leader to oversee the port authority's next chapter.

I'd like to offer my personal thanks to everyone joining us today for your collaboration over the last decade and a half in building this gateway for Canada—this work matters. Thank you.

Now, I'll move into my year-in-review comments.

As Judy prefaced, last year was another challenging year, but as a port community, we made important progress towards the port's long-term success and sustainability, supporting Canada's objectives and growth as a trading nation.

It's my pleasure today to share 2022 year-in-review highlights—and, as Judy has done, I'll touch on early 2023 also. I'll start with last year's trade landscape and port performance at a high level, and our CFO, Victor Pang, will add to that in his comments. With that backdrop, I'll talk about key 2022 highlights grouped under our three sustainability pillars: delivering economic prosperity through trade, maintaining a healthy environment, and enabling thriving communities.

These highlights won't be exhaustive—you can read more in our financial report and sustainability report that will be published today on our website. My intention is to demonstrate at a high level how our work, in collaboration with partners, is fulfilling our federal mandate and advancing our vision for the Port of Vancouver to be the world's most sustainable port.

Trade context and port performance

Starting with the trade context last year, it remained complex and challenging. At a global level, Russia's invasion of Ukraine disrupted and shifted trade flows, amplifying the global need for Canadian resources such as potash, grain and energy. Meanwhile, at Canada's largest port, we faced commodity sector and supply-chain challenges.

Starting with the bulk sector, in the first half of the year, grain volumes—which have been a strong growth story at the port for about a decade—declined significantly, due to Canada's poor 2021 drought-affected harvest. We saw grain rebound in the second half of the year, and to highlight on-going business confidence in this sector, last year Richardson completed our permitting process for, and started delivering, a project to expand their rail yard and further increase grain-export capacity.

Beyond the grain story, in 2022 we saw record coal volumes and the second-highest potash volumes to date—and I'd add that last year as well, we issued a permit for BHP to export potash at Westshore, replacing some thermal coal export capacity, as global demand for potash grows. This export facility will, of course, be a critical component of BHP's multi-billion dollar entry into the potash market with the development of the Jansen potash mine in Saskatoon.

Turning to the container sector, it faced multi-layered challenges last year. If we back up a couple years for context, this sector faced significant challenges through much of the pandemic, as a surge in consumer spending overwhelmed Trans-Pacific supply chains, resulting in backlogs and shortages. This port community met those challenges resourcefully to support Canada's trade flows—however, in late 2021, severe flooding in B.C. cut the port off from national supply chains for eight days, causing cargo backlogs that were with us well into 2022. Additionally, last year, the sector faced impacts from at-capacity warehouses in Ontario and Quebec, which backed up cargo all the way to Vancouver, as well as, towards year-end, a cooling economy. Yet even with all that, we still saw the second-highest annual container volumes to date!

As a final sector highlight, possibly our best news story last year was the return of cruise, after a two-year hiatus. For many of us, it was a very tangible symbol of post pandemic life emerging at last! We had a terrific comeback year for cruise with record cruise ship visits—up 7% from 2019—and we're expecting an even bigger season this year! That's very positive for the port—and it's helping support the recovery of the local tourism sector as well.

As we consider the complexity of last year, I'd like to recognize the dedicated companies throughout the port and its supply chains for their hard work and resourcefulness through these challenges. Additionally, one of the port's foundational strengths—having the most diversified cargo-handling abilities of any port in North America—supported trade flows. In all, the port handled 141 million metric tonnes of cargo in 2022, down 3% by volume from 2021. Interestingly, the value of trade through the port last year actually rose 11% to \$305 billion for the year—and that reinforces what a powerful economic engine this port is for Canada, even in challenging years.

I'll now outline some highlights of the port authority's work—starting with our focus on delivering prosperity through trade.

Delivering economic prosperity through trade

With Canada's trade on a long-term growth trajectory, the port authority is working, with partners, to unlock new trade capacity. We're doing that first by optimizing existing port and supply-chain infrastructure—and then by building new projects to expand our trade capacity base. Starting with optimization, in 2022 we advanced two key programs—one focused on land-side optimization; the other, on marine-side.

First, to optimize how cargo moves from prairie to port, we advanced the West Coast Supply Chain Visibility Program. Last year, we procured the Informatika data platform to help power the work we're doing to provide visibility into goods movement to terminal operators, railways and other program participants—and we expect to launch a first draft dashboard and set of performance metrics this year.

Simultaneously, on the marine side, we advanced Active Vessel Traffic Management, which is focused on accommodating more ships, efficiently and while minimizing impacts, as Canada's trade continues to grow. Last year, we carried out three phases of public and Indigenous engagement on the program, alongside regular and on-going industry engagement to help shape program implementation. We also selected a technology partner, DHI SeaPort OPX, to help develop the program's centralized scheduling system. Later this year, we expect to roll out that system, initially in the Second Narrows Traffic Control Zone.

Turning to infrastructure projects, in 2022 we continued to progress a suite of road and rail projects across this region to strengthen key trade corridors that enable Canada's trade, with federal support through the National Trade Corridors Fund and in collaboration with industry. We were pleased to complete the Commissioner Street Road and Rail Alignment Project last year, and just last month, the South Shore Access Project as well.

With Canada's west coast ports running out of room to handle growing container trade, we also advanced two container-sector projects. Working in partnership with DP World, we were delighted to complete construction last year on the Centerm Expansion Project—which, through just a 15% increase in terminal footprint is going to deliver a 60% increase in trade capacity. It's a fabulous project!

Judy also mentioned the excellent news that we recently, finally, received the federal government approval for the Roberts Bank Terminal 2 Project. This is the culmination of well over a decade of work and I'm delighted that we have achieved this major milestone, and can now give confidence to the many, many businesses that depend on container trade through the West Coast—both for imports from around the world, or to access global markets for their goods—we can give those businesses confidence that we will have an answer to the looming container capacity crunch.

To back up a step, last year, we led the project through the final stages of the federal environmental assessment process. That included providing a final submission to the Impact Assessment Agency of Canada following a public comment period in early 2022. We also continued to build positive, long-lasting

relationships with Indigenous groups and were proud to have 24 mutual benefits agreements with Indigenous groups in place for the project by the end of 2022, and two additional agreements signed early this year. Then in April of this year, as Judy highlighted, we were extremely pleased to see our 15-plus years of work on this project validated with a federal project approval.

I'd like to thank the many port customers and stakeholders who actively supported the project through letters, videos, and conversations with government—your voices mattered. We've also appreciated the large number of positive responses we received following the federal decision. With this landmark project milestone achieved, we will now work toward obtaining remaining permits to advance the project so we can ensure a strong future for container trade here on the west coast, to underwrite Canada's future as a trading nation.

Maintaining a healthy environment

Alongside our work to enable trade, in 2022 we advanced significant work to protect and enhance the environment in and around the Port of Vancouver. Emissions management is a core focus; our goal is for the Port of Vancouver to be zero emissions by 2050, in alignment with federal targets.

At the corporate level, last year we replaced the old boiler system at Canada Place with new high-efficiency equipment, which we expect will cut greenhouse gas emissions significantly over time—and we were pleased to win one of FortisBC's 2023 Efficiency in Action Awards for that project.

We also worked to support industry's path to zero across the port. For example, we've partnered with the Province of British Columbia on the Low-Emission Technology Initiative to fund the trial of low- and zero-emissions fuels and technologies across the port. That's supported some great projects over the last year or so, including: at Viterra, using 100% renewable diesel for a terminal locomotive at Viterra; at Seaspan, trialing battery-electric-powered terminal tractors and 100% biodiesel on commercial ferries; and at DP World's Centerm Terminals, retrofitting a crane to be powered by hydrogen, which is a global first.

Besides emissions management, we're also focused on biodiversity. As part of that, we lead the ECHO Program, together with partners, to better understand and reduce the cumulative effects of commercial shipping on at-risk whales in this region—with a focus on underwater noise, which disrupts whales' ability to forage. Last year, not only did the ECHO Program's measures and positive impact span the largest geographical area to date—but we also saw the highest-ever level of industry participation, which is all voluntary. All of that supported quieter seas and healthier whales, and I'd like to thank everyone joining us today who participated in those efforts.

I'd also like to recognize and thank port industry for your continuing environmental leadership across the port, in parallel to our work, and we look forward to celebrating that later today through our Blue Circle Awards.

I'll turn briefly to how we're working to enable thriving communities.

Enabling thriving communities

For context, the port's jurisdiction intersects 16 municipalities and the traditional territories and treaty lands of more than 35 Coast Salish Indigenous groups.

Two years ago, we were very pleased to sign landmark relationship agreements with Tsawwassen First Nation and Musqueam First Nation to formalize partnerships and support a strong, shared future marked by mutual respect and reconciliation, and last year we moved forward with implementing those agreements. As mentioned, we've also been very grateful to achieve the support and consent from 26 Nations, as of early this year, for the Roberts Bank Terminal 2 Project.

Another aspect of our community-focused work in 2022 was developing an Anchorage Code of Conduct, through the Active Vessel Traffic Management Program, to help minimize disturbances to communities and the environment—such as noise and light—from ships at anchor. That code went into effect this year and applies to all ships anchored within the port and is strongly recommended for ships at anchorages we assign around the Southern Gulf Islands.

Conclusion

I'll wrap up our highlights there. To pull everything together, 2022 was another challenging year, but as a port community, we made important progress towards the port's long-term success and sustainability, for this community and for Canada.

I'd like to thank everyone joining us today for the role you are playing in that success.

A particular thank you to terminal operators, port customers, and labour for moving the people and cargo that make the Port of Vancouver Canada's largest and most diversified port.

It's been a pleasure this past year, after a couple years of social distancing, to connect in person with so many across this community through Port Forward—and to strengthen our connections.

Finally, I'd like to recognize and thank our entire team at the port authority for the dedicated work they do every day for this port and for Canada—it has been my profound privilege to lead such an exceptional team for 14 years.

In closing, I strongly believe that collaboration is, and will be, the cornerstone of our collective success—and at the port authority, we look forward to working with the full port community towards a strong shared future for this port and for Canada.

Thank you.

Closing remarks

That concludes our AGM. I'd like to thank everyone joining us for your interest and participation. We look forward to continuing to work alongside the full port community and all our partners and stakeholders, to advance a strong, sustainable future for this gateway and for Canada.

Thank you.