

An aerial photograph of Vancouver, British Columbia, Canada, taken during the "golden hour" of late afternoon. The city's dense urban core, characterized by numerous high-rise apartment buildings and commercial structures, is visible on the right side of the image. To the left, the city meets the water at a marina filled with sailboats and a small beach area. In the background, the rugged, forested mountains of the Pacific Coast Range rise against a clear blue sky with soft, wispy clouds. The overall scene captures the city's unique blend of urban development and natural beauty.

DESTINATION VANCOUVER

DESTINATION VANCOUVER

2022 BUSINESS SPRINT

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MESSAGE FROM DESTINATION VANCOUVER'S BOARD CHAIR

Destination Vancouver's 2022 Business Sprint was created to adapt to our current realities and position the organization to meet the marathon before us and rebuild our visitor economy. Our sector was indisputably the first, and remains the longest and hardest hit, in terms of the ongoing business impacts of COVID-19. Recognition of those impacts has resulted in a wide range of supports from all levels of government. These include multiple provincial recovery initiatives, fast-tracked municipal policy changes, and federal funding commitments in many areas of tourism development and hospitality. While these programs have been lifelines to many, the breadth of change and impact to tourism businesses is significant and the resilience and adaptability of members has been inspiring.

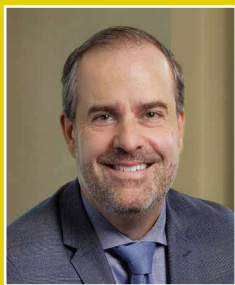
Our advocacy work, along with our key partner organizations in the sector, will continue as we keep issues of importance to our members at the forefront of government decision making. We will also continue to envision our future in ways that support a truly critical examination of who we are, and what we do. To that end, the importance of the intense work Destination Vancouver has undertaken over the last year cannot be understated.

Within the framework of our mandate review, purpose-driven outcomes have included a fundamental shift from our previous focus as tourism marketing organization to a destination builder – a change that is fundamental to achieving our long-term goals and objectives. The Board and I are proud of the mandate review done by Destination Vancouver. This work has resulted in multiple layers of transformation, not the least of which is our new organizational name, as well as a deeper understanding of our role within a future visitor economy across Metro Vancouver. And we will work collaboratively with Indigenous Tourism BC to collaboratively bring our new Memorandum of Understanding to life.

While there is no denying the downside of entering yet another challenging year for our sector, the upside is that we do so knowing a vast amount more now than we did in our previous two pandemic-impacted years. Looking forward there are shifts that give us cause for optimism. Our excellent provincial immunization rates, including the timely rollout of vaccine boosters, increasing community-based acceptance of both domestic and international visitors, and a slow but steady return to travel are all positive signs, confirming the vitally important role we know our sector will continue to play in our province's economic future.

With your partnership and support, we will keep our steadfast focus on getting to that brighter future for our industry, together.

Robyn McVicker *Board Chair, Destination Vancouver*



MESSAGE FROM DESTINATION VANCOUVER'S PRESIDENT AND CEO

"My barn having burned down, I can now see the moon." (Mizuta Masahide 17th century Japanese poet and samurai)

This quote struck me as especially meaningful as I reflected on the previous year and our collective perseverance as a tourism community. Even though the impacts of the health pandemic on our industry have been devastating, your stories of resilience and actioning what can be done, versus dwelling on what was, inspires and propels us forward. You don't recover a burnt down barn, you rebuild it. Better than it was before.

There is no doubt that, because of the pandemic, traveller behaviours have changed and so has the needs of our tourism community. To meet this challenge, Destination Vancouver embarked on the most meaningful change initiative in its modern history. With an eye on the future and to build back better, our mandate transformed to reflect our new role as a Destination Management organization where our efforts will support a triple bottom line approach of people, planet, and profit.

In the last quarter of 2021, we began to see what many collectively believed was the beginning of the end – that our world was healing, and we would be on a steady upswing going into 2022. Unfortunately, we find ourselves taking another step backward as the COVID-19 situation continues to evolve. The only thing certain is that the rebuild trajectory will remain slow and uneven across the globe due to a myriad of mobility restrictions, varying vaccination rates and fluctuating traveller and workforce confidence.

Our 2022 Business Sprint was designed to be agile to counteract the ongoing uncertainty we face. Rebuilding Demand, Destination Stewardship and Organizational Resilience will remain the three core focus areas, and the strategies within each area reflect our new mandate. The data that we've analysed has allowed us to revise our visitor economy forecast upwards from \$11B to 13B by 2026. That's good news.

We believe that 2022 will be better despite ongoing covid headwinds. Recent traveller sentiment data reveals that Vancouver remains at or near the top of trip intention. This is a good sign since cruise returns this Spring and we look forward to welcoming the many conferences in the books to Vancouver. With a hopeful return of our festivals and events, we are well poised to have our best year yet, post pandemic.

Thank you for your ongoing support of each other, our communities, and Destination Vancouver. We've heard from you the work we're doing is helping provide the stability you need to run your business. We will continue to do what we can to support you as we rebuild a stronger and sustainable Vancouver visitor economy for the future.

Royce Chwin *Team Member, President & CEO, Destination Vancouver*



MANDATE

To support Vancouver's tourism industry in developing their experiences, and promoting Vancouver in target Canadian, U.S., and international markets.



MISSION

To responsibly rebuild a sustainable visitor economy to \$13B by 2026.



PURPOSE

To transform our communities and our visitors through the power of travel.

> OVERVIEW

The global tourism sector entered 2022 with – at best – tempered enthusiasm, knowing our industry was the first and the hardest hit, and will be the last to rebuild as we all face a third pandemic-impacted year. Loss of some of the biggest contributors within our sector, including the postponements of meetings and conventions, and cancellations of key festivals and events, resulted in both short-term and permanent business contractions. While the Federal government approved vital support to the tourism industry through Bill C-2, our visitor economy remains at the mercy of a fifth wave of the pandemic, known as the Omicron variant. Governments continue the struggle to protect over-burdened healthcare systems while trying to minimize damage to national economies. The result of those efforts has pushed back many gains made towards the end of 2021, putting into jeopardy not only the rebuild of much needed leisure travel and cruise traffic, but has also hindered the much-anticipated return to meetings, events and festivals. All of these elements are critical parts of Vancouver’s diversified visitor economy.

On a more positive note, we are by no means in the same place we were at the beginning of the pandemic. Given the high rates of vaccination and boosters worldwide, many experts are forecasting that the pandemic might finally shift into an infection that is endemic in global populations. If this prediction is correct, it is an outcome with which the global tourism community can cope, allowing us to begin rebuilding the visitor economy in earnest. While it is expected that the rebound in the latter part of 2022 will be uneven for our sector, Vancouver is well-positioned to take advantage of the reopening of international markets. This is due to our strategic location – including the advantages of positive air access, desirability as a cruise ship terminal and an enduring reputation as a world-class city. The pent-up demand of group business – from both national and international destinations – will be a critical part of revitalizing our downtown and lifting surrounding areas back to economic, and social-life health.

As we look forward to the remainder of 2022, we share a feeling of optimism across global communities that this pandemic is on the verge of turning a corner. We are hopeful, that in its wake – through collaboration by both public and private sector business partners – there is a brighter future ahead for members of our tourism community.



> IMPACT AND RESPONSE

Federal and provincial governments have announced targeted relief measures to support tourism recovery. Through coordinated efforts across the industry to advocate for the safe reopening of the sector, operators have been able to chart a course back to some degree of business normalcy. Destination Vancouver's promotional programs have adhered to provincial travel restrictions and phased re-openings which have been fluid. The culmination of strong financial stewardship over the past 19 months has well positioned Destination Vancouver to begin reinvesting in the rebuilding of business in 2022.

A critical deliverable in Year 1 of the 2021 Business Sprint was the actualization and approval of Tourism Vancouver's mandate to transform the organization into Destination Vancouver, a destination management organization founded on the core pillars of development and promotion.

The result of the work done by MMGY NextFactor and the Destination Vancouver Team, including the Board of Directors, was unveiled to the broader membership and industry partners at the 118th AGM on June 24th.

Year 2 will focus on bringing to life Destination Vancouver's new purpose which is underpinned by a triple bottom line approach of people, planet, and profit.

Strong financial stewardship over the past 19 months has well positioned Destination Vancouver to begin reinvesting in the rebuilding of business in 2022.

> MARKET AND BUSINESS INSIGHTS

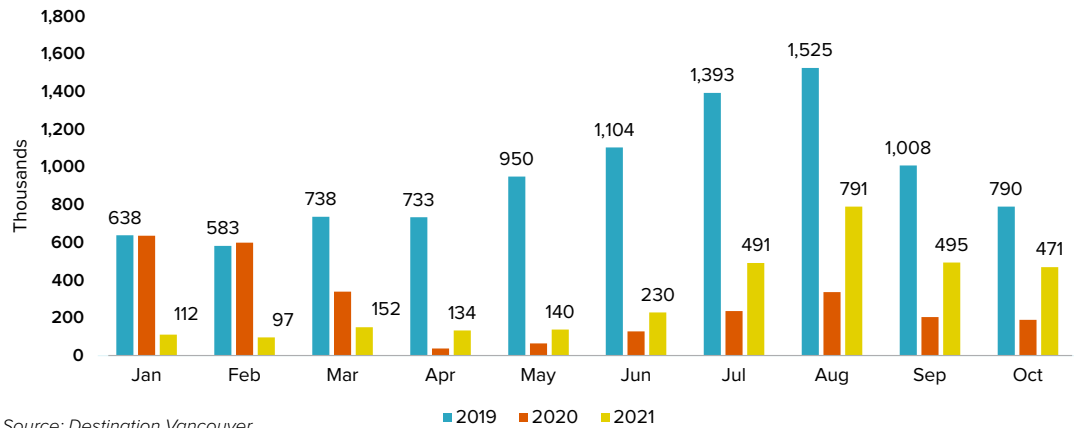
DESTINATION PERFORMANCE IN 2021

2021 was marked by an improvement in overnight visitation to Vancouver as vaccination rates in Canada increased, consumer confidence improved, and government travel restrictions and recommendations were lifted over the course of the year. In particular, total overnight visitation to Vancouver reached a peak of over 790,000 visitors in the month of August 2021. This is more than double the volume from 2020 (338,000 visitors), and approximately 52% of pre-COVID volumes from the same time period (1.5 million visitors in August 2019).

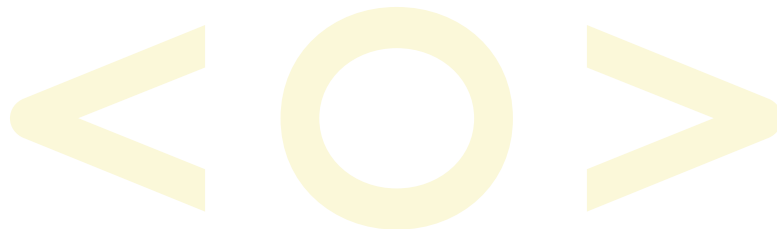
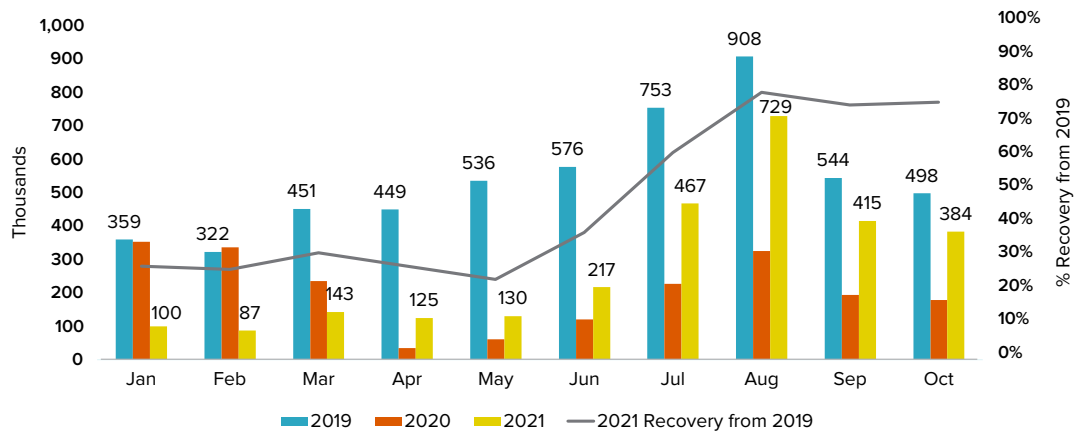
Closer examination of the data shows that this modest recovery was driven mostly by the domestic market. Specifically, domestic visitation to Vancouver made up over 92% of total visits in the month of August 2021. Most of these visitors came from within British Columbia, Alberta, and Ontario. Also notable is that domestic visitation to Vancouver reached 80% of pre-COVID levels during this time in August 2021.

2021
was marked by an improvement in overnight visitation to Vancouver as vaccination rates in Canada increased...

TOTAL OVERNIGHT VISITORS TO VANCOUVER

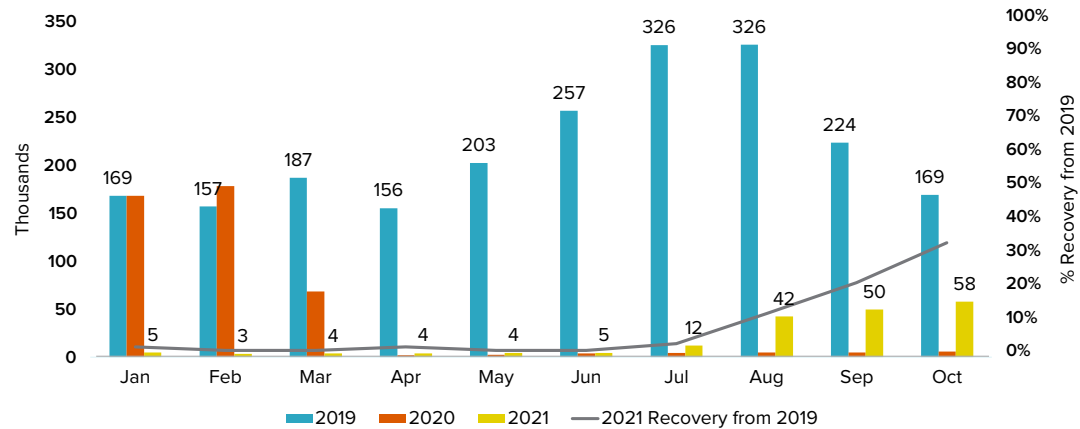


DOMESTIC OVERNIGHT VISITORS TO VANCOUVER



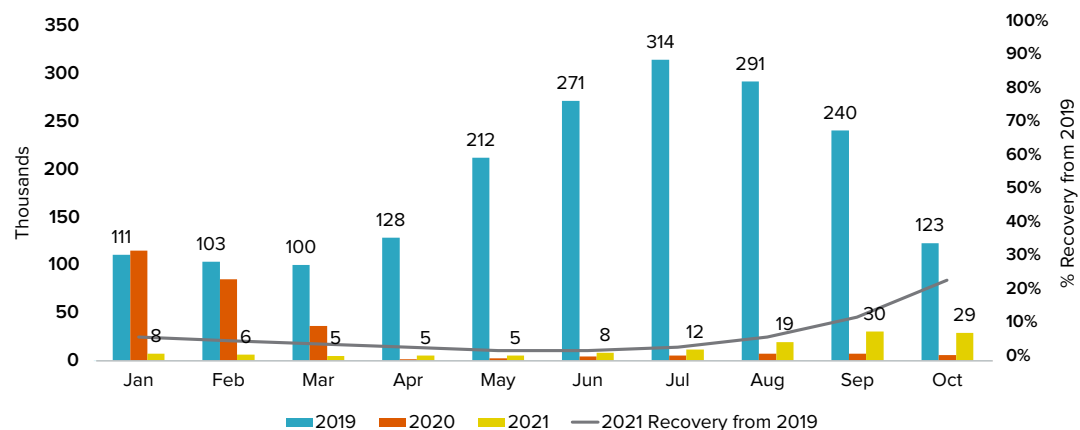
Once easing of travel restrictions for fully vaccinated travellers from the United States and from other countries were lifted by the Government of Canada on August 9; and September 7 respectively, there was a notable month over month increase in travel to Vancouver from these markets of origin as well. Specifically, United States travel to Vancouver increased to over 42,000 visitors in August while other International travel to Vancouver increased to 30,000 visitors in September respectively. This suggests that the easing of travel restrictions allowed for some realization of the pent-up demand for travel to Vancouver.

UNITED STATES OVERNIGHT VISITORS TO VANCOUVER



Source: Destination Vancouver.

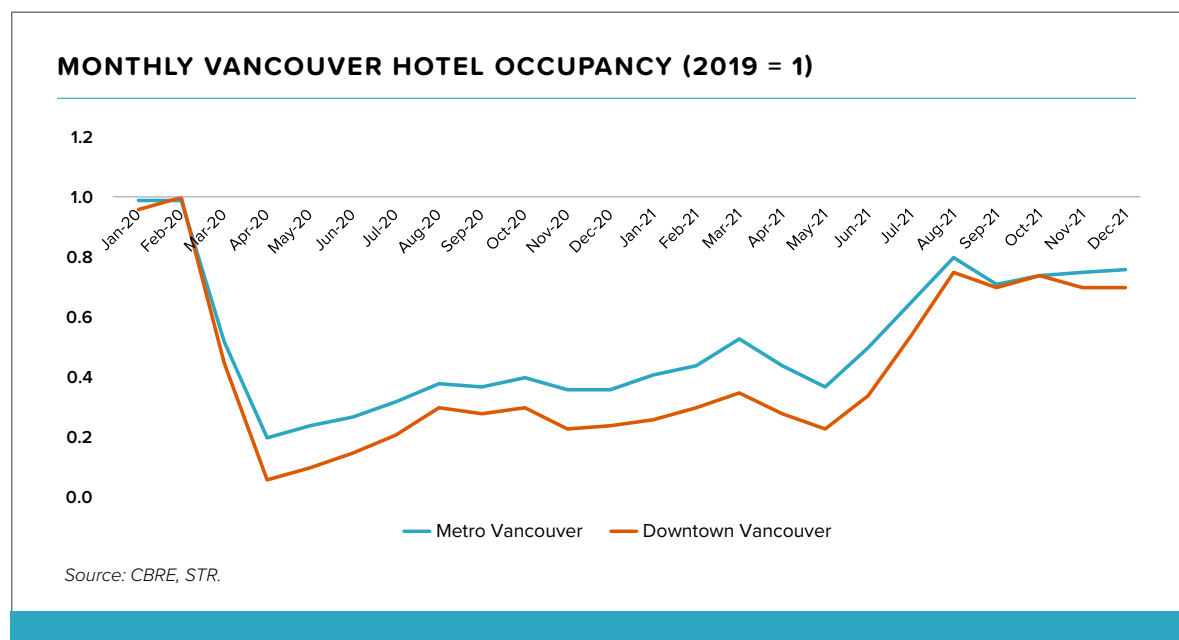
INTERNATIONAL OVERNIGHT VISITORS TO VANCOUVER



Source: Destination Vancouver.

As overnight visitation to Vancouver increased due to easing of travel restrictions and realization of pent-up demand, there has been an improvement in destination hotel performance. Following overnight visitation trends, hotel demand in both Metro and Downtown Vancouver increased in the summer of 2021 compared to previous months and has been trending positively since.

Metro and Downtown Vancouver occupancy reached 80% and 75% of pre-COVID levels with occupancy rates in the summer of 72% and 67% in Metro and Downtown Vancouver respectively.



However, since the start of this pandemic in 2020, the supply of hotel rooms in Vancouver has declined by about 10%. This translates to about 2,500 less rooms in Metro Vancouver and 1,300 less rooms in Downtown Vancouver in 2021 compared to pre-COVID. Some of this is due to hotels operating at lower capacity temporarily, along with some hotel rooms purchased by government for social housing. The hotel properties acquired by the provincial government represents a permanent loss to the hotel supply in Vancouver.

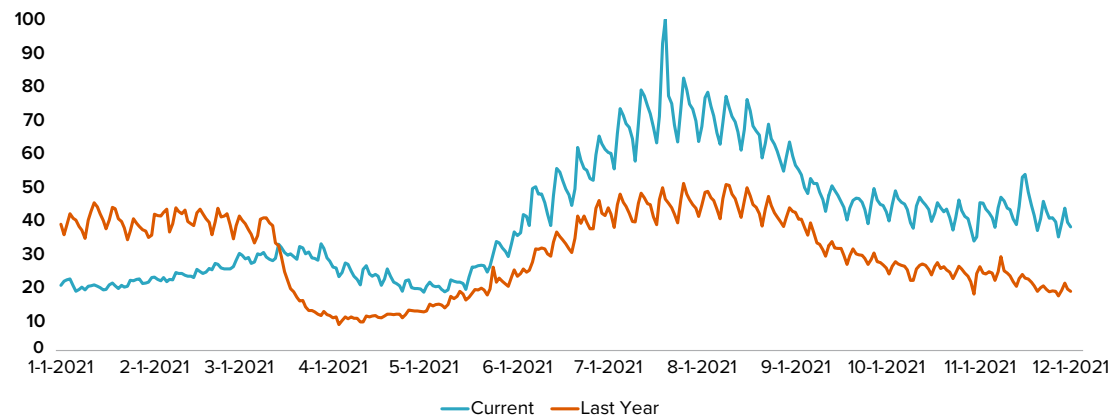


LOOKING AHEAD TO 2022

Although risks remain due to new variants of COVID-19, current market signals and bookings suggest a continued improvement in travel demand for 2022.

Google search trends can be used as a leading indicator of interest in travel and demand. Current search volumes for domestic travel in Canada from Google show continued improvement from last year.

DOMESTIC TRAVEL IN CANADA (INDEXED)

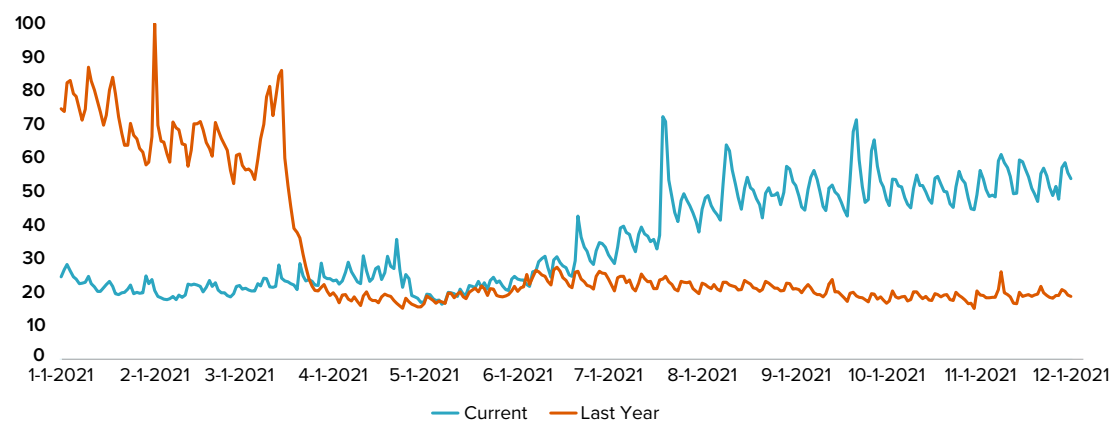


Source: Google Travel Trends.

Following previous trends, Vancouver continues to rank highest in Canada for domestic travel interest based on Google search volumes. This positions our destination well for continued recovery.

Google search for international travel to Canada shows a marked improvement from last year as well.

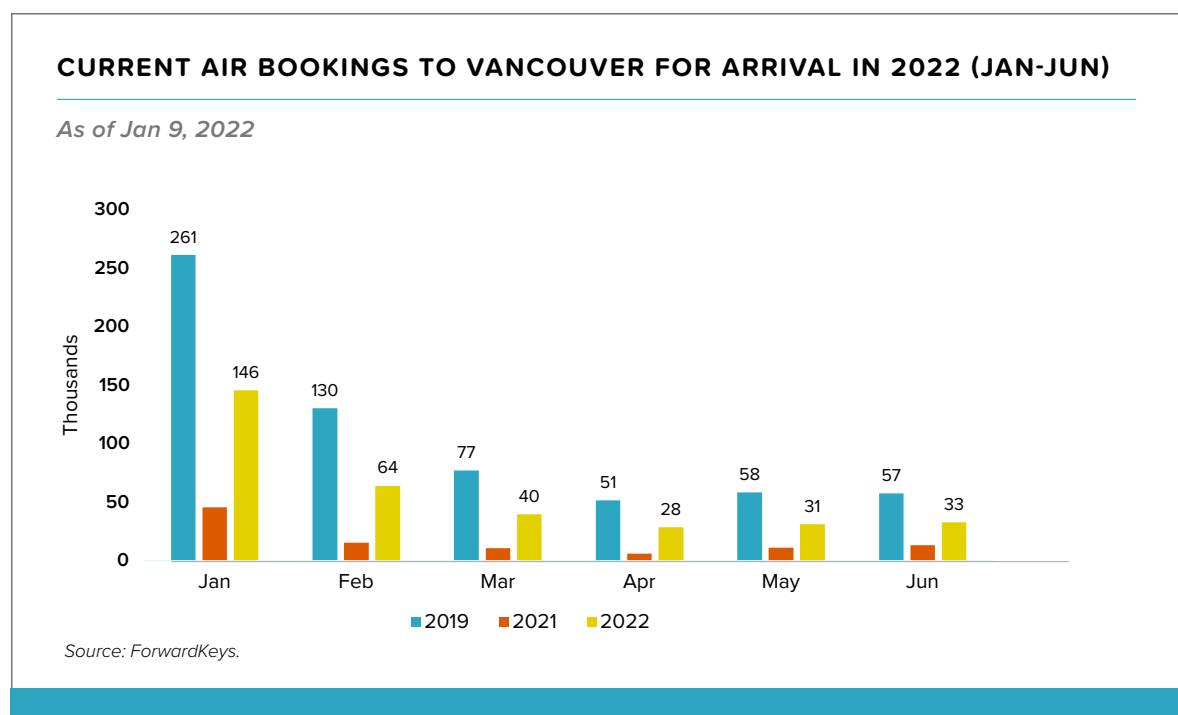
INTERNATIONAL TRAVEL TO CANADA (INDEXED)



Source: Google Travel Trends.

For international travel to Canada, Toronto is the most searched destination based on Google search trends, followed by Vancouver (roughly 50% of Toronto search volumes).

Current forward-looking bookings for air arrival to Vancouver for the first six months of 2022 (as of Jan 9, 2022) include nearly 342,000 arrivals. This is 239,000 more scheduled arrivals booked for future travel compared to the same time last year, but also 294,000 less arrivals on-the-books compared to same time pre-COVID (2019). Most of the scheduled arrivals currently on-the-books are for the first quarter of 2022. In terms of market origin, about 44% of scheduled arrivals on-the-books are from Canada, 25% from the United States, and the remainder are from other international markets.



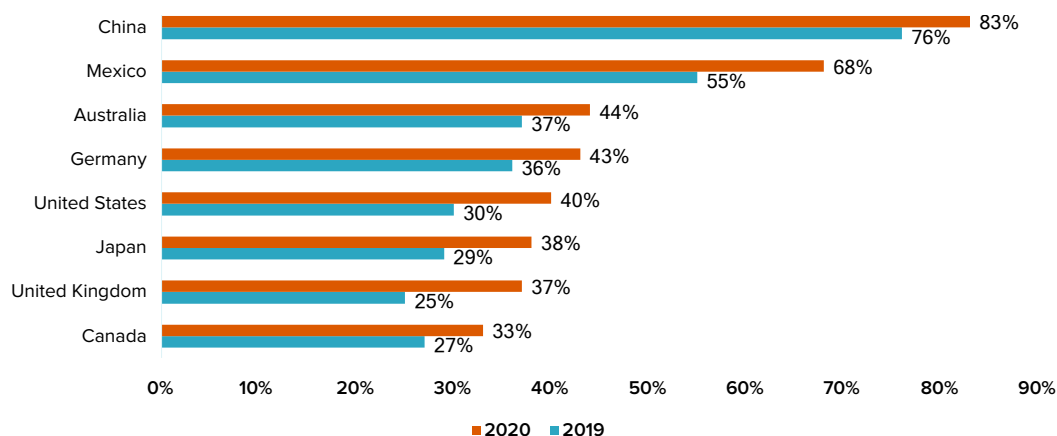
2022 marks the return of the cruise and meetings and conventions business for Vancouver.

Pre-COVID, Port of Vancouver welcomed 288 sailings and over one million passengers from cruise. Looking ahead to 2022, 325 sailings are scheduled for the upcoming cruise season. Although some ships are expecting to be operating at a lower capacity, research shows that cruise enthusiasts (customers that have previous experience with cruise) will lead the recovery of this sector.

Before the onset of COVID-19 and related restrictions on meetings and events, Vancouver hosted 24 citywide meetings (meetings with over 1,000 delegates, using multiple hotels) in 2019 along with 327 convention meetings. For 2022, current business on the books show 16 confirmed citywide meetings and 94 convention meetings. This is expected to increase as consumer confidence continues to improve and additional meetings are confirmed.

During the course of this pandemic, the world has also experienced extreme weather events and sustainability has become an important consideration for destination management. Consumers and potential travellers are also taking sustainability into consideration when selecting potential destinations to visit. Over the last couple of years, we have seen an increase in this factor as a consideration for many prospective travellers.

TRAVELLER ATTITUDES TOWARDS ENVIRONMENTAL IMPACT OF DESTINATIONS

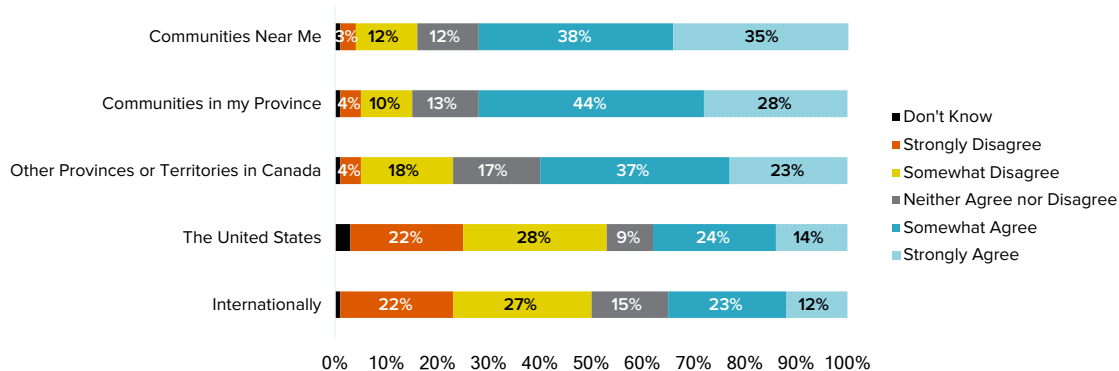


RESIDENT SENTIMENT

Destination development and promotion has to be a community shared value of which a key component is residents being welcoming of visitors to our destination. Recent sentiment surveys suggest that Metro Vancouver residents are currently most welcoming of visitors from communities closer to their own and within Canada. Specifically, as of late 2021, 73% of Metro Vancouver residents are welcoming of visitors from nearby communities, 72% are welcoming of visitors from within BC, and 60% are welcoming of visitors from other parts of Canada. Only 38% of residents are welcoming of visitors from the United States and only 35% of residents are welcoming of visitors from other International markets. We will continue to monitor resident sentiment and shape our destination development and promotion plans and initiatives accordingly.

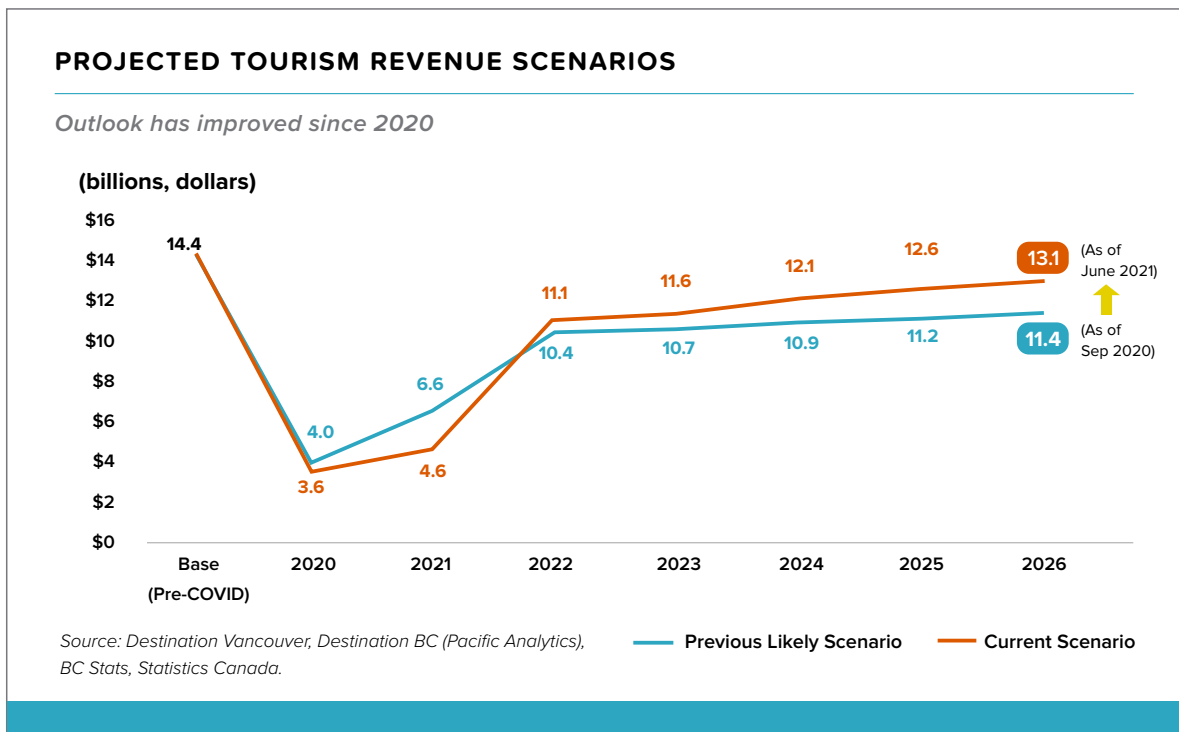
METRO VANCOUVER RESIDENT SENTIMENT

Level of Welcome Towards Visitors



> THE PATH FORWARD

The industry is finally beginning to move away from a ‘siege mentality’ to strategizing and investing for growth. We have analyzed three scenarios for the rebuild of Metro Vancouver’s visitor economy based on projected tourism revenue forecasts developed in partnership with Destination British Columbia. As a base pre-COVID, Metro Vancouver’s visitor economy was estimated at \$14.4B in total revenues. This includes *same-day and overnight visitation*.



Our original stretch target set in 2020 was to rebuild Vancouver’s visitor economy to \$11B by 2026. Our tourism growth scenario projections have been updated based on the current landscape and B.C.’s Restart Plan. The current likely scenario suggests that the Vancouver visitor economy could reach \$13.1B by 2026, ahead of our original projections. We attribute this to growing consumer confidence (domestic, U.S., international) to travel, along with borders being re-opened for non-essential travel in addition to the significant growth of household savings and disposal income.

Expectations have matched reality; the rebuild and restart for our destination will be driven first by domestic tourism, followed by U.S. and then international travel provided the COVID-19 situation continues to improve, and we move from pandemic to endemic.

As the health pandemic continues to evolve, there are many other variables and factors which will affect the rebuild and restart trajectory. We will review and adjust our plans and forecasts as we proceed.

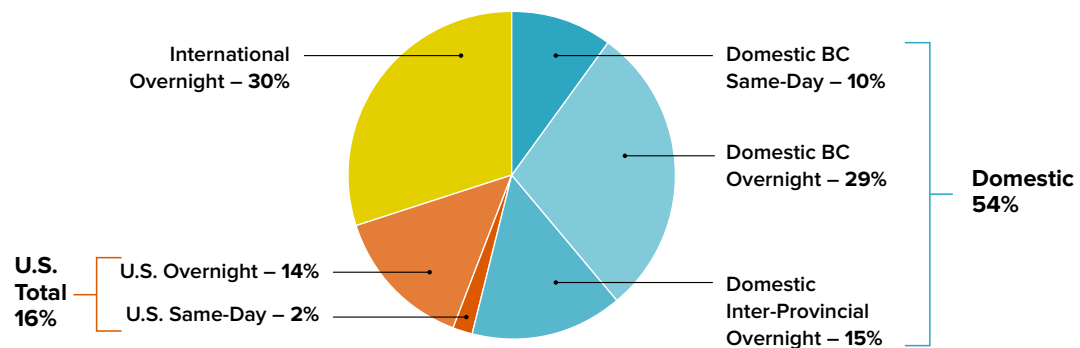
Destination Vancouver continues to execute on the two-year Business Sprint developed in 2020. Guided by our 2021 Business Sprint, Destination Vancouver continues to adopt a nimble and agile approach that has helped us respond and shift strategies to adapt to the ever-changing pandemic situation and operating environment uncertainties that will continue to affect the movement and gathering of travellers.

Key investments for 2022 include: securing future business through Meeting and Convention sales, rebuilding international leisure demand and sales, development and implementation of key digital initiatives to enhance performance, increased research and analytics to inform strategies and investments, sustainability certification(s) to strengthen global positioning, investment in product development opportunities, and developing an integrated framework for major events and festivals in alignment with key partners.

We continue to collaborate with both industry partners, members and stakeholders to ensure our efforts are united and demonstrate value.

METRO VANCOUVER VISITOR ECONOMY VALUE – PRE-COVID ESTIMATE

Source of Destination Tourism Revenues



Source: Pacific Analytics, BC Stats.



FOCUS AREAS

For 2022, Destination Vancouver's focus areas and priorities have been updated to build on work executed in 2021. Doing so will ensure continued forward momentum of programs where we've seen success during the restart of travel, and ensure we continue to define the path forward for the organization and Vancouver's visitor economy.

The priorities identified are intended to be catalysts for responsible and sustainable tourism rebuild and growth for the benefit of Vancouver businesses, communities, residents, and visitors.

1 Rebuilding Demand

Rebuild Vancouver's visitor economy by leading, leveraging and collaborating on opportunities to drive visitation and spend.

Priorities Include:

- Collaborate with key partners to maximize alignment, efficiency, and investment.
- Prioritize converting and securing new business.
- Action investments to promote an increased length of stay.
- Amplify the Vancouver brand to create urgency for travel.
- Partner in the rebuild of air services into Vancouver.
- Create champions to build future demand.
- Redefine the future of Destination Vancouver's visitor servicing.



2 Destination Stewardship

Bring to life our purpose and destination values to strengthen Vancouver's global reputation through partnerships.

Priorities Include:

- Prioritize and action environment and social sustainability focus areas in collaboration with key stakeholders.
- Identify impact of pandemic on product development priorities including to inform City planning.
- Advocate for the needs of members, industry, and key visitor segments including cruise.
- Evaluate Destination Vancouver's membership strategy and value proposition.
- Activate Memorandum of Understanding with Indigenous Tourism British Columbia.
- Develop a Major Events plan and prioritize deliverables with key stakeholders.

3 Organizational Resilience

Enable Destination Vancouver's culture and capabilities to anticipate, respond, and adapt to change and remain relevant and financially stable.

Priorities Include:

- Ensure organizational excellence by investing in our Team.
- Advance organizational design and competencies to increase productivity, relevance, and value.
- Stand up for reconciliation, diversity, equity, and inclusion.
- Strengthen insights driven decision-making for all organization strategies and programs.
- Action digital priorities to enhance organization relevance and optimize performance.
- Ensure effective and prudent financial practices.



2022 INITIATIVES

The following provides a brief look at initiatives currently planned to deliver on our priorities.

> Digital Marketing

Brings the brand to life through always-there media activities including search engine marketing, digital content, social media, and websites. Manages internal digital platforms and projects.

- Always-on search and social media domestically and in the U.S.A. Targeted activities in the United Kingdom and Australia.
- Develop and implement an omni-channel traveller engagement plan.

> Consumer Marketing

Brings the brand to life through paid media activities including marketing campaigns and partnerships that create destination awareness and drive visitation.

- Consumer-targeted marketing campaigns to drive visitation domestically and from the U.S.A. Promotions to focus on key areas in British Columbia, Alberta and Ontario, and Washington.
- Promotion and alignment with key partners to maximize investment.

> Travel Media

Works with journalists, freelance writers, social influencers, editors, and broadcasters on travel focused stories to build destination awareness in key markets.

- Media relations and media/influencer hosting in core markets domestically and internationally focused on key themes to produce on-message coverage in priority outlets. International market focus: U.S.A., United Kingdom, Germany, Australia, and Mexico.
- Content and story support to secondary international markets and distribution partners.

> Travel Trade

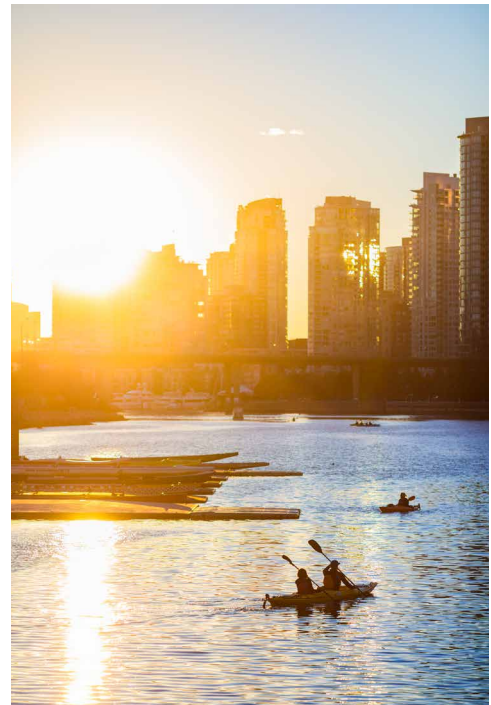
Increases promotion and leisure sales through partnerships with tour operators, wholesalers, receptive tour operators, travel agents and online travel agents.

- Marketing partnerships internationally designed to increase length of stay and rebuild air services. International market focus: U.S.A., United Kingdom, Germany, Australia, and Mexico.
- Destination and product training in core and secondary markets to support promotion and sales of Vancouver-focused itineraries and increase pre/post stays.

> Content & Marketing Services

Manages business needs for brand management, visual and written content development and curation, creative design, and production.

- Develop and curate inspirational year-round content to drive visitation in key markets, and support promotional themes for Destination Vancouver and third-party distribution partners.
- Develop content to support destination stewardship priorities and partnerships, elevate destination storytelling, and expand reach.



> Visitor Services

Provides services to visitors with pre-travel planning and throughout their in-destination experience.

- Expand Destination Vancouver's virtual visitor services to support all traveller segments in 2022, and define future servicing model for 2023 and beyond.

> Meetings & Conventions

Generate high value, overnight room attendee visitors through the sales and marketing of Vancouver as a must visit, world renowned meeting, convention, and business event destination.

- Support 2022 definite citywide clients to help maximize in-person attendance.
- Rebook business that cancels for 2022.
- Collaborate with key stakeholders to align strategies for conversion of outstanding citywides for 2022, 2023, and 2024.
- Targeted increase in sales and marketing activities in-market and in-destination.
- Leverage financial resources and amplify sales team capacity through partnerships; VHDA, Destination Canada Business Events, Vancouver Convention Centre, Canadian city DMO's.
- Evolution of the Meeting Industry Network of Distinction (MIND) ambassador program in partnership with the Vancouver Convention Centre, key stakeholders and potential local hosts/clients.
- Continue to support the BC Meetings and Events Industry Working Group.

> Major Events

Lead, enable and support major events for Vancouver in order to generate positive economic and social benefit.

- Create Destination Vancouver Events Unit within organization to work with key stakeholders.
- Continue collaboration with Sport Hosting Vancouver to identify and secure major sporting events that generate immediate positive economic benefit as well as strengthen Vancouver's global reputation as an international sport host destination.
- Facilitate an event calendar to align and coordinate demand and capacity within the destination between major events, sporting event, and meeting and convention group business.

> Research and Business Analytics

Oversees, create and develop research and data analytics programs, including consumer and industry insights and modelling, to inform business decision-making and investments.

- Conduct market research to generate insights on potential and actual visitors from key domestic and international markets to inform business and market planning.
- Track and monitor destination performance, including air access and capacity, based on key demand and supply indicators and metrics.
- Development and launch of research programs to support destination development & stewardship strategy and initiatives.

> Air Service Development

Supports the development of new air carriers, routes, and/or frequency to increase air access for Vancouver from key markets.

- Collaborate with YVR, domestic and international air service providers, and national and provincial partners to enable year-round service and increased seat capacity for Vancouver.



> **Industry Communications and Advocacy**

Supports corporate communications and advocacy initiatives with various levels of government including the City of Vancouver.

- Advocate to all levels of government prioritizing issues that can impact the rebuild of the tourism industry.
- Monitor resident sentiment on tourism development to inform destination development and promotion priorities and activities.

> **Community and Industry Engagement**

Build and strengthen relationships with local industry partners and communities.

- In partnership with Indigenous Tourism British Columbia, identify opportunities to share Indigenous cultures, stories, and experiences.
- Identify opportunities to support truth and reconciliation.
- Support Business Improvement Association priorities that affect destination brand and the visitor experience.

> **Sustainable Tourism Development**

Support initiatives that advance and showcase Destination Vancouver's leadership in environmental stewardship.

- Support safe work training and practices for hospitality workers to ensure our destination commitment to diversity, equity, and inclusion is actioned for employees and patrons.
- Foster alignment and collaboration with the Metro Vancouver Destination Management Council to strengthen the benefits of tourism in Vancouver.
- Work with destination stakeholders to identify sustainability goals (net zero emission) and certifications to foster regional alignment and global positioning. (For example, Global Sustainability Tourism Council, Global Destination Sustainability Index, Centre for Sustainability, and Social Impact, etc.)

> Member Services

Engage and service existing members and onboard new members. Encourage member networking and participation through member events and information webinars.

- Review Destination's Vancouver's value proposition in alignment with new mandate.

> Product Development

Identify and support product development opportunities that align with destination priorities.

- Engage with the City of Vancouver on future tourism development including accommodation.
- Define the evolution of Dine Out Vancouver.
- Invest in a multi-year program to elevate the destination reputation and deliver on Rebuild Demand priorities.

> Organizational Excellence

- Realign Destination Vancouver's organizational structure for stronger leadership capacity.
- Invest in the learning and development of our people including succession planning.
- Support Team Member engagement in leadership roles with relevant industry organizations.
- Ensure strategic people programs and policies are updated and aligned with mandate, purpose, values, and culture.
- Ensure a safe work environment to support the mental and physical health and wellness of our team.
- Champion greater awareness of and commitment to Diversity, Equity, and Inclusion.
- Strengthen enterprise digital leadership and governance.
- Review, update, and formalize enterprise risk management plan.
- Provide ongoing support for Board of Directors and related governance considerations.
- Develop a social procurement strategy and implementation framework.
- Set a 2030 target or earlier to reduce our corporate carbon emissions, define organization actions to attain, and develop scorecard metrics to achieve.



BARRIERS AND WINNING CONDITIONS

The potential barriers and winning conditions defined for 2022 reflect the state of the industry today which recognizes that the continued rebuild of Vancouver's tourism economy – and the global tourism industry at large – is reliant on many volatile factors that will require collaboration across all levels of government, industries, and public and private stakeholders. For the purpose of 2022 planning, Destination Vancouver has focused on the most critical and sensitive conditions to take into account as we chart our path forward.

|  <h3>POTENTIAL BARRIERS</h3> <ul style="list-style-type: none">• Shortage of available and skilled labour• Loss of product and experiences• Increase in travel costs (ie air travel, COVID testing)• Inconsistency in travel requirements between governments and countries• Travel friction (ie. ease in travel for international visitors)• Resident sentiment toward visitors• Changes in traveller booking behaviour and travel expectations• Government policies, actions, and advisories• Impact of climate change actions• Destination reputation |  <h3>WINNING CONDITIONS</h3> <ul style="list-style-type: none">• BC Government moves to Step 4 of the BC Restart Plan• Vaccination rates continue to increase globally• Media coverage shifts away from COVID• Traveller confidence rebuilds quickly• Strong alignment and collaboration among industry partners• Supportive and welcoming destination• Rebuild and growth of air access into Vancouver• Vancouver recognized as a progressive destination |
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DESTINATION VANCOUVER BALANCE SCORECARD

The Scorecard below clearly defines our desired outcomes and related Key Performance Indicators, and will be continuously reviewed, as part of our drive towards achieving the best and most positive outcomes, in 2022.

| FOCUS AREAS | DESIRED OUTCOMES | PERFORMANCE MEASURE | TARGET |
|---|--|---|--|
| Rebuilding Demand Rebuild Vancouver's visitor economy by leading, leveraging, and collaboration on opportunities to drive visitation and spend. | <ul style="list-style-type: none"> Consideration of Vancouver increases Marketing drives business for industry M&C business generated M&C business generated Partnership(s) support rebuild in visitation | <ul style="list-style-type: none"> Organic search traffic Referrals to industry New citywide wins Booking/conversion ratio Visitor volume from key international markets | <ul style="list-style-type: none"> 1.9M sessions 320K referrals 16 bookings 40% ≥32% of 2019* |
| Destination Stewardship Bring to life our purpose and destination values to strengthen Vancouver's global reputation through partnerships. | <ul style="list-style-type: none"> Member businesses value of Destination Vancouver | <ul style="list-style-type: none"> Member engagement survey | <ul style="list-style-type: none"> 70% |
| Organizational Resilience Enable Destination Vancouver's culture capabilities to anticipate, respond and adapt to change, and remain relevant and financially stable. | <ul style="list-style-type: none"> High degree of pride and Team Member commitment Managing G&A | <ul style="list-style-type: none"> Team Engagement survey Within ≤10% of total budget | <ul style="list-style-type: none"> 72% ≤10% |

*Target will be reviewed and updated when 2021 actual visitation statistics available for forecasting. Source: MNP Forecasts.

| KEY PERFORMANCE INDICATORS (that we influence and/or monitor) | | |
|---|--|--|
| <ul style="list-style-type: none"> Visitor volume Visitor spending Length of stay Resident sentiment Visitor sentiment | <ul style="list-style-type: none"> MRDT Hotel occupancy ADR Revpar | <ul style="list-style-type: none"> P.H.O. Orders Border reopening Employment rate GDP (economy) Exchange rate |



SUMMARY

In 2021, travel slowly resumed domestically supported by a modest increase in visitation once travel restrictions eased and international visitors started to return to Canada. Midway through 2021, the economic outlook for Canada and Vancouver improved. As a result, we have set a new growth target to rebuild tourism in Metro Vancouver to \$13B by 2026.

Destination Vancouver remains strategy led, insights driven, and industry partnered. We will continue to action a business sprint mindset so we remain agile in all parts of the business and are well-positioned to respond to ever-changing and evolving environments, action opportunities, and collaborate with partners. All strategies will be informed by research, and we will continue to invest prudently and intentionally.



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