



CITIZENS OF THE WORLD

2022 CORPORATE
SUSTAINABILITY REPORT



A STAR ALLIANCE MEMBER 



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Forward-looking statements and related cautionary notes

Caution regarding forward-looking information

Air Canada's public communications may include forward-looking statements within the meaning of applicable securities laws. These statements may involve, but are not limited to, comments relating to strategies, expectations, planned operations or future actions. Forward-looking statements, by their nature, are based on assumptions, are subject to important risks and uncertainties and cannot be relied upon due to, amongst other things, changing external events and general uncertainties of the business. Actual results may differ materially from results indicated in forward-looking statements due to a number of factors, including the factors identified in this *Citizens of the World* report and in Air Canada's public disclosure file available at www.sedar.com.

Air Canada has and continues to establish targets, make commitments and assess the impact regarding climate change, and related initiatives, plans and proposals that Air Canada and other stakeholders (including government, regulatory and other bodies) are pursuing in relation to climate change and carbon emissions. Air Canada has incurred, and expects to continue to incur, costs to achieve its goal of net-zero carbon emissions and to comply with environmental sustainability legislation and regulation and other standards and accords. The precise nature of future binding or non-binding legislation, regulation, standards and accords, which is receiving increased focus of multiple stakeholders locally and internationally, cannot be predicted with any degree of certainty, nor can their financial, operational or other impact. There can be no assurance of the extent to which any of our climate goals or other

sustainability commitments will be achieved or that any future investments that we make in furtherance of achieving our climate goals or sustainability commitments will produce the expected results or meet increasing stakeholder environmental, social and governance expectations. Moreover, future events could lead Air Canada to prioritize other nearer-term interests over progressing toward our current climate and other sustainability goals based on business strategy, economic, regulatory and social factors, business strategy or potential pressure from investors, activist groups or other stakeholders. If we are unable to meet or properly report on our progress toward achieving our climate change goals and sustainability commitments, we could face adverse publicity and reactions from other investors, customers, advocacy groups or other stakeholders, which could result in reputational harm or other adverse effects to the Company.

The forward-looking statements contained in this *Citizens of the World* report represent Air Canada's expectations as of the date of this *Citizens of the World* report and are subject to change after such date. However, Air Canada disclaims any intention or obligation to update or revise any forward-looking statements whether because of new information, future events or otherwise, except as required under applicable securities regulations.

Industry and market data

Industry and market data including forecasts used throughout this *Citizens of the World* report were obtained from internal surveys, market research, publicly available information and industry publications. Industry publications generally state

that the information contained therein has been obtained from sources believed to be reliable at the relevant time, but that the accuracy and completeness of such information is not guaranteed. Similarly, internal surveys, industry forecasts, market research and other publicly available information, while believed to be reliable, have not been independently verified, and the Corporation does not make any representation as to the accuracy or completeness of such information. Any estimates and forecasts involve risks and uncertainties and are subject to change based on various factors, including those discussed under "Caution regarding forward-looking information."

Incorporation of other information

No information contained on or accessed via Air Canada's websites (or any other website referred to in this *Citizens of the World* report), and no document referred to in this *Citizens of the World* report, is incorporated into or forms part of this *Citizens of the World* report, except if it is expressly stated in this *Citizens of the World* report to be incorporated into this *Citizens of the World* report.

Intellectual property

Air Canada owns or has rights to trademarks, service marks or trade names used in connection with the operation of its business. In addition, Air Canada's names, logos and website names and addresses are owned or licensed by Air Canada. Air Canada also owns or has the rights to copyrights that also protect the content of its products and/or services. Solely for convenience, the trademarks, service marks, trade

names and copyrights referred to in this *Citizens of the World* report may be listed without the ©, ® and TM symbols, but Air Canada reserves all rights to assert, to the fullest extent under applicable law, its rights, or the rights of the applicable licensors to these trademarks, service marks, trade names and copyrights. This *Citizens of the World* report may also include trademarks, service marks or trade names of other parties. Air Canada's use or display of other parties' trademarks, service marks, trade names or products is not intended to, and does not imply a relationship with, or endorsement or sponsorship of Air Canada by, the trademark, service mark or trade name owners or licensees.

Forward-looking statements and related cautionary notes | **About our report** | Corporate sustainability at Air Canada | Sustainability mission statement |
A message from our President and CEO | Sustainable culture

About our report

The *2022 Citizens of the World* edition reports on Air Canada's (sometimes referred to as the Corporation in this report) environmental, social and governance (ESG) initiatives and results for the period January–December 2022. The report discusses our COVID-19 pandemic mitigation and rebuilding activities and provides some early 2023 updates.

We have been reporting on our corporate sustainability activities since 2012. All prior reports and data trends are available at aircanada.com/citizensoftheworld unless stated otherwise. This *2022 Citizens of the World* report is inclusive of the sustainability efforts and activities of Air Canada and its operating subsidiaries, namely Air Canada rouge LP (Air Canada Rouge), Touram Limited Partnership, doing business as Air Canada Vacations®, and Aeroplan Inc. (Aeroplan)¹.

This report reflects what Air Canada management presently believes to be its best available information.

Reporting framework

This report has been prepared in accordance with the Global Reporting Initiative (GRI), internationally recognized reporting standards. The GRI helps maintain transparency and consistency in sustainability impact reporting. Air Canada's carbon footprint, targets and climate strategy are also reported through the CDP (formerly Carbon Disclosure Project), which aligns with the Task Force on Climate-related Financial Disclosures (TCFD) framework and in Air Canada's TCFD report.

In this report, we voluntarily report information without limiting our disclosure to what is material to Air Canada under applicable laws. When we use materiality in the context of sustainability, this refers to the relative importance of environmental, social, governance and economic topics for our stakeholders or in the context of our activities.

We monitor developments in ESG reporting, including

¹ An overview of our 2022 financial performance and business is available in our 2022 Annual Report.

those published by the International Sustainability Standards Board (ISSB).

Air Canada is a signatory to the United Nations Global Compact (UNGC), which encourages all businesses to adopt sustainable and socially responsible practices. We are also committed to supporting the 10 principles of the UNGC and the 17 Sustainable Development Goals (SDGs) established by the UN General Assembly. Since 2020, Air Canada has aligned the SDGs with our reporting on the GRI. We support all 17 SDGs and are particularly focused on seven of these goals. A review of our contributions to these goals can be found in the Sustainable Development Goals annex of this document. Our communication on progress toward the UNGC is disclosed annually and available online.

Third-party assurance

We believe in transparency, integrity and accountability and have engaged PricewaterhouseCoopers LLP to perform an independent, limited assurance report on seven performance indicators. For the report and information on the scope of the assurance, please see the [limited assurance statement](#).

We will continue to review our control environment and requirements around our ESG disclosures, including the extent of internal or external assurance, taking into consideration materiality and future regulatory requirements, standards and frameworks as they evolve. We will also continue to evaluate whether any publicly disclosed metrics require a limited or reasonable level of assurance.

AIR CANADA SUPPORTS THE 10 PRINCIPLES OF THE UNGC AND THE 17 SDGS

Human Rights

Principle 1: Businesses should support and respect the protection of internationally proclaimed human rights.

Principle 2: Businesses should make sure that they are not complicit in human rights abuses.



Labour

Principle 3: Businesses should uphold the freedom of association and the effective recognition of the right to collective bargaining.

Principle 4: Businesses should eliminate all forms of forced and compulsory labour.

Principle 5: Businesses should effectively abolish child labour.

Principle 6: Businesses should eliminate discrimination in respect of employment and occupation.



Environment

Principle 7: Businesses should support a precautionary approach to environmental challenges.

Principle 8: Businesses should undertake initiatives to promote greater environmental responsibility.

Principle 9: Businesses should encourage development and diffusion of environmentally friendly technologies.



Anti-Corruption

Principle 10: Businesses should work against corruption in all its forms, including extortion and bribery.

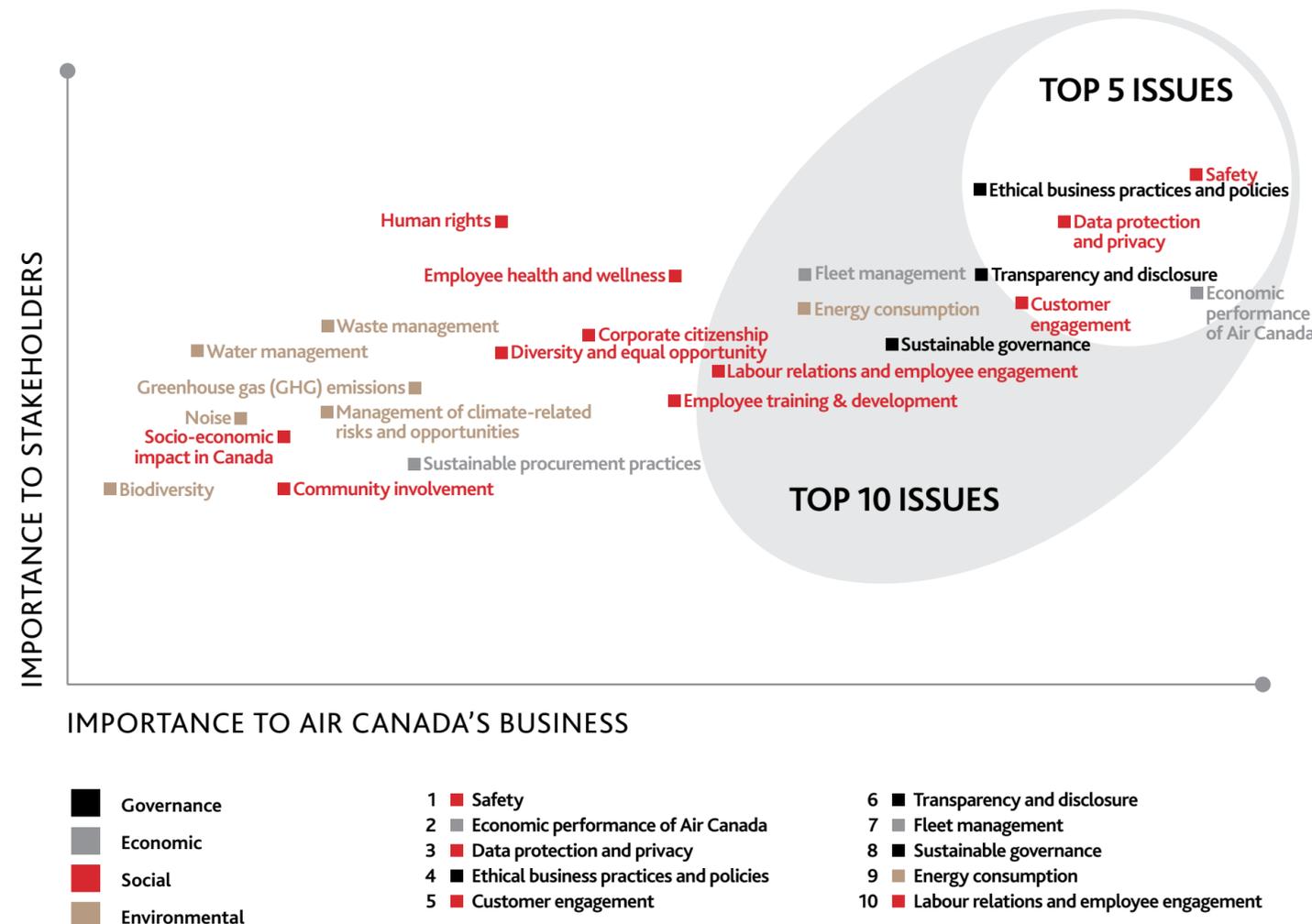


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Corporate sustainability at Air Canada

We monitor ESG issues and opportunities through stakeholder engagement and our own internal processes. This helps inform how we develop corporate strategy, invest resources and report on our business and corporate responsibility efforts as ESG reporting evolves.

In 2018, using the GRI disclosure framework, we surveyed our stakeholders about the governance, economic, social and environmental issues they consider most important, ranking them based on their input. We also identified which sustainability areas are most relevant in the context of our activities. We then matched and prioritized them against what our stakeholders shared with us, using the “material topics” and methodology of the GRI. This assessment allowed us to identify and rank the corporate sustainability areas that were important to our stakeholders generally and overlay these with reference to Air Canada’s activities, as shown in the matrix to the right. We have reviewed and used this information to help prepare our 2022 report. We will be conducting a new stakeholder survey in 2023.



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Stakeholder engagement

Air Canada believes in strong and consistent engagement with all our stakeholders. We proactively engage with them throughout the year to better understand their priorities and perspectives on significant issues. Engagement participants include members of our Board and senior management. We also engage with our stakeholders in a variety of ways including:

Customers

- Customer service discussions through our contact centres or customer relations or other channels (e.g., in person, phone, email, digital platforms)
- Satisfaction surveys, customer feedback panels and focus groups, including as part of our customer experience initiative, described on page 7
- Content on website and via social networks
- Conferences and regular discussions with corporate customers

Investors

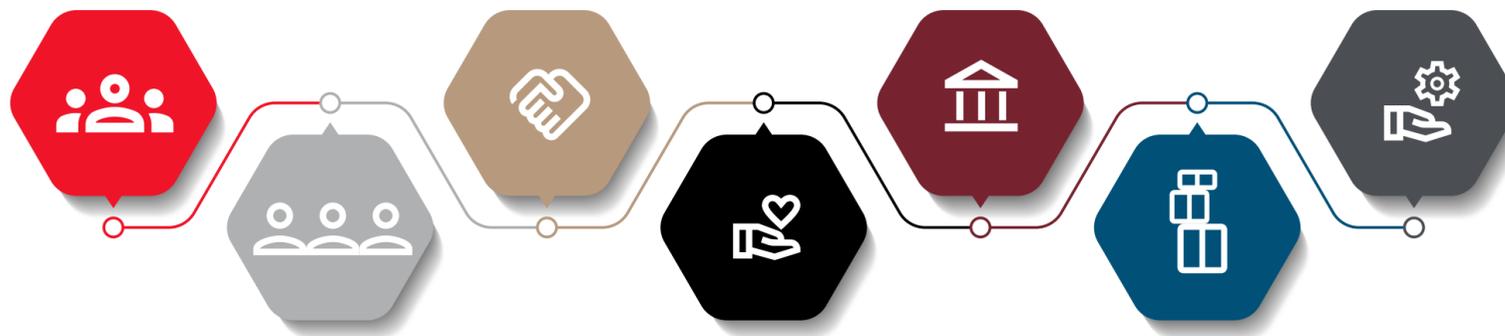
- Events and conferences
- Meetings
- Regular dialogue

Employees

- Town halls (at least quarterly) with the President and CEO and other members of the Executive Committee
- Internal social media platform
- Surveys and discussion groups on employee experience
- Diversity, Equity and Inclusion Executive Council
- Employee resource groups
- General employee communications and meetings

Communities

- Media relations
- Participation in consultations, roundtables, surveys, conferences and forums
- Participation in community events, including together with the Air Canada Foundation
- Involvement with industry or business associations



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Air Canada launched Elevating the Customer Experience (ECX) in 2022, a three-to-five-year program to reimagine and re-engineer our customer service strategy and engage with our employees. ECX is anticipated to touch virtually every employee in the organization — from the processes we design, to the tools we use and to the training.

Our employees provided feedback and engaged in dialogue through various platforms including regular company surveys that measure our safety culture and employee engagement. With the launch of ECXperts, an employee advisory panel, we engaged with employees from across the organization under four pillars: On-time Performance, Employee Engagement, Disruption Handling and Strategy & Roadmap.

We engage with customers through surveys and dialogue. Our Net Promoter Score (NPS), a customer experience metric that measures loyalty, remained stable through 2022, with cabin cleanliness and in-flight employees being key focus areas. Our ground journey interactions, such as check-in and boarding and experience with employees, were also central components and remain a focus for the organization. We will continue to solicit and welcome feedback from our customers to improve processes and support strategic ECX projects with industry and customer data.

We leverage traditional media, monitoring major social media accounts as we strive to enhance the level of service we offer our customers, providing up-to-date travel and corporate information and support with general inquiries and addressing concerns and complaints.

Since 2013, we have held our biennial Investor Day event (the 2021 edition was postponed due to the COVID-19 pandemic). We also hold and regularly participate in conferences, including fireside chats and one-on-one meetings, and maintain dialogue with our financial community. Our “Investor Day” was last held in March 2022 before 325 participants — a significant increase from prior editions. The audience received an overview of our new business strategy, Rise Higher, and

priorities that include our latest and upcoming initiatives regarding our commercial strategy and global network as well as Aeroplan, Air Canada Cargo, ECX and ESG.

Air Canada transmitted the event via video webcast in both English and French and had supporting visuals in both languages. The event also showcased our key integrations with our National Hockey League (NHL) sponsorships, and a Q&A between President and CEO Michael Rousseau and Mikaël Kingsbury, silver medalist at the Beijing 2022 Winter Olympics and Team Air Canada partner athlete, captured the essence of Rise Higher. Our next Investor Day is expected to be held in 2024.

Other initiatives included the launch of a new Media Centre and a revamped Investor Relations site, where visitors can access extensive financial information about Air Canada, including earnings materials, events, annual reports, corporate sustainability reports, SEDAR filings and more, all within a few clicks.

Through our Investor Relations channels, in 2022, we participated in 20 events and hosted more than 150 engagements with investors and existing shareholders. Annual conferences and regular discussions are also consistently held with our corporate customers. Some members of our Board of Directors conduct shareholder engagements with shareholders annually as well.

Air Canada, therefore, continued to adopt a more integrated approach to its initiatives, leveraging both our assets and expertise to deliver shared value for our stakeholders and for society at large. This foundation also serves as the blueprint for Air Canada’s Corporate Sustainability Report.



We are proud to note that Air Canada was honoured at the IR Magazine Awards in March 2023, winning Best Investor Event Award for our 2022 edition of Investor Day.

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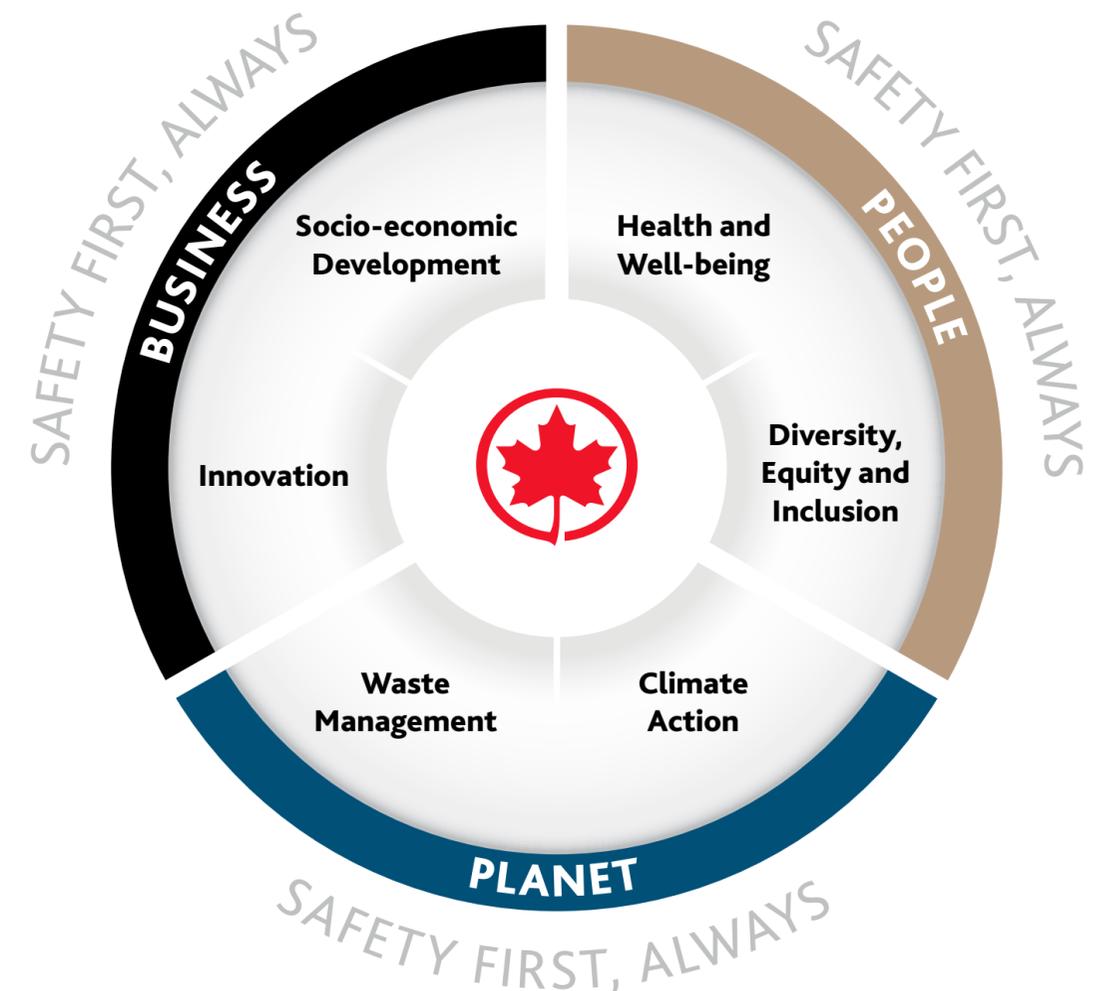
Sustainability mission statement

We aim to make meaningful connections and care for and elevate one another, as Citizens of the World.

Businesses are called upon to create value for all stakeholders rather than only serving their business purpose and shareholders. This fuels a purpose-driven strategy that considers the impacts on stakeholders such as customers, employees, suppliers and communities as well as the opportunities to create value for them. Continuous stakeholder engagement has enabled us to refine the foundation for our business and our social purpose.

As a global air carrier, our activities can have an impact on our employees, our customers, the communities we serve and other stakeholders. As Citizens of the World, we aim — in everything we do — to integrate economic, environmental and social factors that we organize into three sustainability pillars: Our Business, Our People and Our Planet.

Achieving our sustainability goals requires that we continue to apply and develop principles and approaches to help us translate aspiration into action, such as by looking at cost-effective measures, using natural, social and economic resources in a responsible and efficient manner, fostering openness and transparency, embracing diversity, equity and inclusion, collaborating and setting and meeting measurable targets.



A message from our President and CEO

I am proud to share Air Canada's 2022 Corporate Sustainability Report with you, which details our approach, commitments and progress as they relate to Environment, Social and Governance (ESG) practices. 2022 was a pivotal year for our business. We celebrated our 85th anniversary and made significant advances in our recovery from the pandemic's effects on our industry, all while advancing our ESG priorities.

As Canada's flagship carrier, we connect Canada to the world, and we are acutely aware of the responsibility we have toward people and our planet. We have developed corporate priorities to improve our operations while caring for our customers, our employees and our communities as well as preserving the planet we help people explore. We believe in the importance of taking care of one another. We lift each other up by creating a safe, healthy and inclusive environment, where our colleagues can grow and thrive, and our customers always feel welcome.

Prioritizing safety

Safety First, Always, is our core value. In everything we do, we prioritize the safety of our customers, our employees and the people in the areas we fly in and assist. In 2022, Air Canada was recognized for its health and safety protocols and use of safety technology by TravelPulse's 2022 Readers' Choice Awards. Over 11,000 hours of regulatory training was offered to newly hired employees to uphold Air Canada's safety standards and culture.

Lifting each other up

Our Unlock the Best in You (UBY) Program supports our employees in four key areas of overall well-being: work health, mental health, financial well-being and health and wellness.

We aim to rise higher in our commitment to our people through community outreach and by holding ourselves accountable to create more opportunities and inclusion for our diverse employee population.

We formalized employee resource groups (ERGs) to provide representation for our teams, for instance. Our ERGs, which are voluntary, employee-led groups that are based on a demographic, life experience or identity, contribute to our efforts to foster a more diverse and inclusive work environment.

We also strengthened our commitment to Canada's official languages with our new Official Languages Branch, which is responsible for overseeing the implementation of our Linguistic Action Plan, and offered over two million hours of training for employees, enhancing their skills beyond their current roles.

We recognize that we can help communities and make a difference because of our size, scale and global reach. In 2022, we supported over 285 charities through the Air Canada Foundation with over \$1.6 million disbursed to organizations that focus on the health and well-being of children. We provided crucial humanitarian relief to people affected by the crisis in Ukraine and hurricane Fiona, which impacted Atlantic Canada, and we expanded our community partnerships by championing more than 250 organizations in 2022 compared to 193 in 2019.

Pursuing a sustainable future

We know how important it is to work together to address the climate crisis. In pursuit of our ambitious goals, we gather input and collaborate with stakeholders, industry partners, governments and research institutes, and we are determined to play our part, in connection with others, to create a better, more sustainable industry.

Air Canada, together with regional partners, operated an average of 945 daily scheduled flights to 185 direct destinations on six continents and carried more than 37 million passengers in 2022. As we did so, in 2022, we advanced our environmental performance and offerings by further renewing our fleet in our ongoing transition to more fuel-efficient aircraft, including our 40 Boeing 737 MAX-8s and 33 Airbus A220-300s, and we are set to take delivery of 27 additional Canadian-

built A220-300 aircraft. Further, we announced the planned acquisition of 28 Airbus A321XLRs — extra-long-range aircraft that are more energy efficient and reduce greenhouse gas (GHG) emissions considerably versus previous-generation aircraft. The order of 30 ES-30 hybrid-electric aircraft (under development by Heart Aerospace of Sweden), expected to enter service in 2028, will also help us progress toward our ambition to achieve net-carbon neutrality by 2050 — a main component of our Climate Action Plan.

We advanced our environmental performance with the introduction of CHOOOSE as our new carbon offset program provider and the new corporate customers we welcomed to the Leave Less Travel Program. By operating four sustainable aviation fuel (SAF)-dedicated commercial flights on Earth Day, we demonstrated our support for the development, production and use of SAF over fossil fuels. Our commitment to the environment doesn't stop when the aircraft sets its brakes, however. We are also continuing the electrification of our ground support equipment with the launch of our electric shuttle service for employees at Vancouver airport and the integration of more than 90 electric ground support vehicles.

Our next chapters may be challenging, but we are as determined as ever to deliver the care and class that Air Canada is known for, in a more sustainable way. We aim to tackle challenges together as a team and with our industry partners and our stakeholders strategically and collaboratively. The future looks bright.

For updates on Air Canada's sustainability progress, announcements and stories, we invite you to follow us on social media — [Facebook](#), [X \(formerly Twitter\)](#), [LinkedIn](#) and [Instagram](#). We also encourage you to share your thoughts and perspectives with us on these channels or via email at sustainability.developpement_durable@aircanada.ca.



Michael Rousseau
President and CEO, Air Canada

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 A message from our President and CEO | **Sustainable culture**

Sustainable culture

At the heart of Air Canada's culture is our overriding value: **Safety First, Always**. This is our foremost consideration in everything we do. Air Canada also recognizes that sustainable development is fundamental to our success and must be embedded in our culture. Sustainability is enabled and driven by culture in various ways and at various levels: it influences long-term behaviours, builds identity, encourages innovation and contributes to sustainable management practices. Air Canada's culture has also been critical to the organization's agility, which drove our ability to navigate and adapt to the COVID-19 pandemic quickly and continually while keeping our commitment to safety. Air Canada's culture is what drives our actions for people, the business and the planet. It is this culture that carried the organization throughout the pandemic and is propelling us out of it.

The following is an overview of Air Canada's environmental and social achievements in 2022, as well as a preview of certain objectives for 2023 and beyond. This overview is presented through Air Canada's three sustainability pillars: **Business, People, Planet**.



Achievements and initiatives

BUSINESS



Air Canada celebrates 85th anniversary



THE NUMBERS

Operating revenues

\$16.6B



Adjusted EBITDA ⁽³⁾

\$1.46B

an improvement of close to \$3B from 2021

Operating loss

\$187M

an improvement of close to \$2.9B from 2021

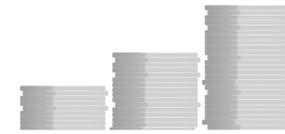
Passenger revenues

\$14.2B



Total liquidity

\$9.8B



AVERAGE DAILY FLIGHTS

945

³ Adjusted EBITDA (earnings before interest, taxes, depreciation, and amortization) is a non-GAAP financial measure. It is not recognized a measure for financial statement presentation under GAAP, does not have standardized meanings, may not be comparable to similar measures presented by other entities and should not be considered a substitute for or superior to GAAP results. Refer to section 20 "Non-GAAP Financial Measures" of Air Canada's 2022 MD&A for descriptions of Air Canada's non-GAAP financial measures and for a quantitative reconciliation of Air Canada's non-GAAP financial measures to the most comparable GAAP measure.



Investor Day

Held first investor event since 2019

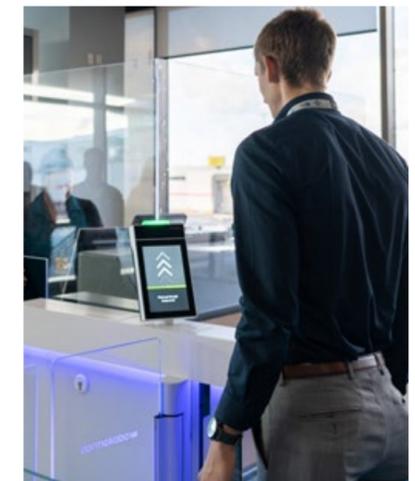


Published first TCFD Report

NEW TECHNOLOGIES

Launched pilot of first digital identification with Transport Canada and Vancouver Airport Authority

Introduced self-service and self-reaccommodating tools for customers to stand by for earlier flights through the Air Canada app or self-serve in the event of a schedule change



NETWORK

Launched or resumed domestic, Canada-U.S. and international routes



185 direct destinations on 6 continents

>36M passengers

Codeshare agreements with United Airlines and Emirates



FLEET RENEWAL

- Received last firm Boeing 737 MAX order; 40 now in operating fleet
- 32 Airbus A220s in fleet (the 33rd added in January 2023 and 28 firm orders remaining for delivery plus options for another 15 aircraft)
- Placed order for 28 Airbus A321XLRs and 30 ES-30 hybrid-electric aircraft, expected in 2028

AIR CANADA CARGO

EXPANDED FREIGHTER FLEET

>3,600

CARGO-ONLY FLIGHTS (including those operated with dedicated freighter aircraft)

\$1.3B

IN REVENUES

INTRODUCED NEW TEMPERATURE-CONTROLLED CARGO FACILITY AT YYZ

AEROPLAN

>7M

active Aeroplan Members

Launched partnerships with Uber, Starbucks, LCBO, HotelSavers



ECX (DIGITAL ENHANCEMENTS)

- ✓ Launch of digital identification
- ✓ Stand by for earlier flights
- ✓ Live TV
- ✓ Onboard Wi-Fi
- ✓ In-flight dining experience
- ✓ Maple Leaf Lounges

Achievements and initiatives

PEOPLE

Held **ARRIVALS CONNECTION**



an event for **>250** new management and ATS employees

Launched **Unlock the Best in You** app



Grew to **37,244** employees in Canada and abroad

Record number of employees completed biannual **Safety Pulse** survey

Supported making education more accessible to diverse communities through Indspire Brighter Futures, the Judy Cameron Scholarship Program and Pinball Clemons Foundation, including Young Women in Aviation showcase at Air Canada.



Named one of the **WORLD'S BEST EMPLOYERS** and one of **CANADA'S BEST DIVERSITY EMPLOYERS** by Forbes

Strengthened commitment to **Canada's official languages** with new **Official Languages Branch**

Hello **Bonjour**

Our target for **REPRESENTATION OF WOMEN ON THE BOARD** was raised to **40%** by 2025



Launched first All-Black Flight, celebrating diversity within Air Canada and the contribution of Black employees to the aviation sector

COMMUNITY RELATIONS

>250 organizations supported in 2022, with **298** events, initiatives or memberships

Participated in and sponsored the first "A Feast in the Forest" event with Indspire, showcasing Indigenous culture and talent.

Created and placed two **Indigenous commitment plaques** for land acknowledgment, looking forward and in the spirit of continuing to grow and strengthen the Corporation's commitment and engagement



AIR CANADA FOUNDATION

\$1.6M raised and disbursed to **41** organizations

550 Air Canada employees participated in **volunteer activities** through the Air Canada Foundation

Supported **>320** **CHARITABLE PARTNERSHIPS** across Canada

Supported **285** charities that focus on the **health and well-being of children**



Developing an accessibility plan and establishing processes to identify and remove barriers for accessible services for our customers and our employees.



Several **Employee Resource Groups (ERGs)** formalized, providing representation and a conduit for employee feedback for various identity groups, and Corporate ambassadors introduced

TRAINING

2M hours of training completed by Air Canada employees

Introduced learning modules for **Indigenous awareness** and seminars on **unconscious bias** for people managers

Achievements and initiatives

PLANET



Agreed to purchase

30 ES-30 HYBRID-ELECTRIC REGIONAL AIRCRAFT

under development by **Heart Aerospace of Sweden** (expected to enter service in 2028) and to invest US\$5 million (~C\$7 million) in Heart Aerospace.



Made

\$6.75M

investment in Canadian climate solutions company **Carbon Engineering (CE)**, supporting the advancement of CE's direct air capture technology that pulls carbon dioxide directly out of the air at large, industrial scale.



Continued electrifying ground fleet by integrating over **2,400** electric ground support vehicles for operations. We are working alongside Rheinmetall Canada to type trial the eMSU, the world's first, zero-emission, all-electric air start unit.



Completed robust environmental management system (IEnvA) and Illegal Wildlife Trade certifications.

Purchased **renewable natural gas** for headquarters facilities.



Announced acquisition of

28 AIRBUS A321XLR AIRCRAFT

Increased firm orders to

60 AIRBUS A220 AIRCRAFT

that, like the Boeing 737 MAX, are more fuel efficient than the previous generation of aircraft.

CHOOOSE

Introduced **CHOOOSE**, a global climate technology company, as our **new carbon offset program provider**, with the option to purchase verified carbon offsets now seamlessly integrated into the airline's Canadian and U.S. booking websites.

Dedicated SAF to four commercial flights

departing San Francisco for our major hubs in Toronto, Montréal, Vancouver and Calgary for Earth Day.



Continued year-long collaboration with **Fill it Forward** to support "seaforestation" projects spearheaded by **Ocean Wise**.



Signed up

8 corporate accounts

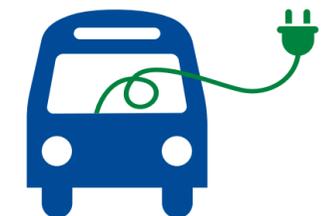
(corporate and cargo) to the **LEAVE LESS TRAVEL PROGRAM**, offering effective options to offset or reduce GHG emissions related to business travel.



Enhanced communications to key stakeholders with publication of **first report aligned to the Task Force on Climate-related Financial Disclosures (TCFD)** and various awareness and engagement campaigns.

LAUNCHED ELECTRIC SHUTTLE SERVICE FOR EMPLOYEES AT VANCOUVER AIRPORT.

The daily service, comprising more than 150 itineraries, now operated by fully electric vehicles instead of conventional gasoline-powered ones.



Recognitions

AIR CANADA AS AN AIRLINE

- **Best Airline in North America by Global Traveler for fourth straight year**
- **TravelPulse's 2022 Readers' Choice Awards:**
 - Best Airline of the Year
 - Best Health and Safety Protocols-Airline
 - Best Trade Communications during COVID-19
- **Skytrax:**
 - Skytrax Best Airline Staff in Canada
 - Skytrax Best Business Class Lounge in North America
 - Skytrax COVID-19 Airline Excellence
 - Remains the only Skytrax four-star international network carrier in North America
- **2022 Travvy award for Best International Airline in the U.S. (Gold)**
- **Leisure Lifestyle Awards:**
 - Best Airline for Onboard Entertainment
 - Best Premium Economy Class
 - Best Airline for Onboard Menu – Air Canada Business Class
- **Wherever Awards:**
 - Best Family-Friendly Airline in North America for the fourth consecutive year
 - Best Family Friendly International Airline for the third consecutive year
- **2022 Award for Innovation and Creativity for its Protection of the Environment by Roberta Bondar Foundation**
- **Excellence in Service Award from Expeditors – Air Canada Cargo**
- **Best Overall Canadian Supplier Award – Air Canada Vacations**
- **SAP Innovation Award in the Business Innovator category – Strategic Procurement**
- **Future of Sourcing Award in the category of Innovation in Governance and Compliance – Strategic Procurement**
- **Star Alliance™ Named Airline Alliance of the Year at Air Transport Awards 2022**
- **Star Alliance™ reclaims World's Best Airline Alliance title at the Skytrax 2022 World Airline Awards**



The only Four-Star international network carrier in North America

AIR CANADA AS AN EMPLOYER

- **Forbes:**
 - World's Best Employers 2022
 - Canada's Best Employers for 2022
- **"Montréal's Top Employers" by Mediacorp Canada's annual employer survey**
- **50 Most Engaged Workforces by Achievers (2023)**
- **Payworks Award for Best Corporate Social Responsibility Strategy at the Canadian HR Awards**
- **OHS Culture and Best Use of Safety Technology for recognition for Air Canada's Safety Always, First, culture**
- **The Canada Awards for Excellence for Mental Health at work at the Silver level, making Air Canada the first airline to receive the award**
- **Air Canada recognized by global Flight Safety Foundation**



AEROPLAN

- **Rewards Canada 2022 Canada's Choice Travel Loyalty Awards:**
 - Top Airline Loyalty Program (Aeroplan)
 - Top Overall Travel Rewards Credit Card (TD Aeroplan Visa Infinite card)
 - Top No Annual Fee Travel Rewards Credit Card (CIBC Aeroplan Visa)
 - Top Airline Credit Card (TD Aeroplan Visa Infinite card)
 - Top Ultra Premium Credit Card (TD Aeroplan Visa Infinite Privilege Card)
- **Frequent Traveler (FT) People's Awards:**
- **Best Earning and Redemption Ability (Americas)**
- **2022 Freddie Awards**
 - Best Redemption Ability
 - 210 Award (for a second time for best up-and-coming program)



Rise Higher

Air Canada's corporate strategy, Rise Higher, aims to elevate everything about our business. Rise Higher is centred around revenue enhancement and cost transformation, leveraging our international network, customer engagement and culture change.

Rise Higher is built on the foundation of our Flight Path and evolves the four priorities we relied on to become a global champion: revenue enhancement and cost transformation; international network growth; customer engagement; and a collaborative workplace that respects diverse cultures and languages. Our evolved priorities are supporting our drive to Rise Higher in the post-pandemic environment with Safety First, Always. Every team concentrates on programs and projects that align with our four priorities:



Fund Our Future

We rise higher by building a more profitable, sustainable business.



Reach New Frontiers

We rise higher by growing our network and driving new revenue.



Elevate Our Customers

We rise higher by becoming our customers' favourite choice.



Lift Each Other Up

We rise higher by caring for each other while playing an impactful role in society.

In pursuit of this strategy, Air Canada continues to build upon and leverage its key assets and many competitive offerings, including:

- Its talented people and award-winning culture
- A streamlined, modern, fuel-efficient and versatile fleet, with market-leading aircraft configurations
- A global network, well positioned to meet demand from various customer segments and enhanced by our membership in Star Alliance™ and by many commercial arrangements
- A widely recognized and powerful brand
- A customer experience continuously enhanced by competitive products and services, including the fully transformed Aeroplan program
- Air Canada Rouge, a lower-cost leisure carrier, and Air Canada Vacations, a leading Canadian tour operator
- A cargo offering
- New core technologies and other technological improvements
- A commitment to sustainability



Ready to take-off | Governance | ESG oversight

Our Business



Ready to take off

Fleet renewal

Air Canada's continuing fleet transition to more modern, efficient aircraft will enable us to lower emissions per seat while we deliver a comfortable journey for our customers. Additionally, we:

- Have firm orders for 60 Airbus A220-300 aircraft (with 33 already delivered and the other 27 to be delivered between 2024 and 2026) and purchase options for another 15 A220-300s.
- Will acquire 28 extra long-range versions of the Airbus A321XLR aircraft that will yield significant operational cost savings and environmental benefits including being quieter for passengers and airports.
- Bolster our commitment to address climate change with a purchase agreement for 30 ES-30 hybrid-electric regional aircraft, under development by Heart Aerospace of Sweden. The revolutionary regional aircraft will generate fewer GHG emissions when flying on battery power, yield significant operational savings and benefits and provide low-emission connectivity to local communities over the medium to long term.

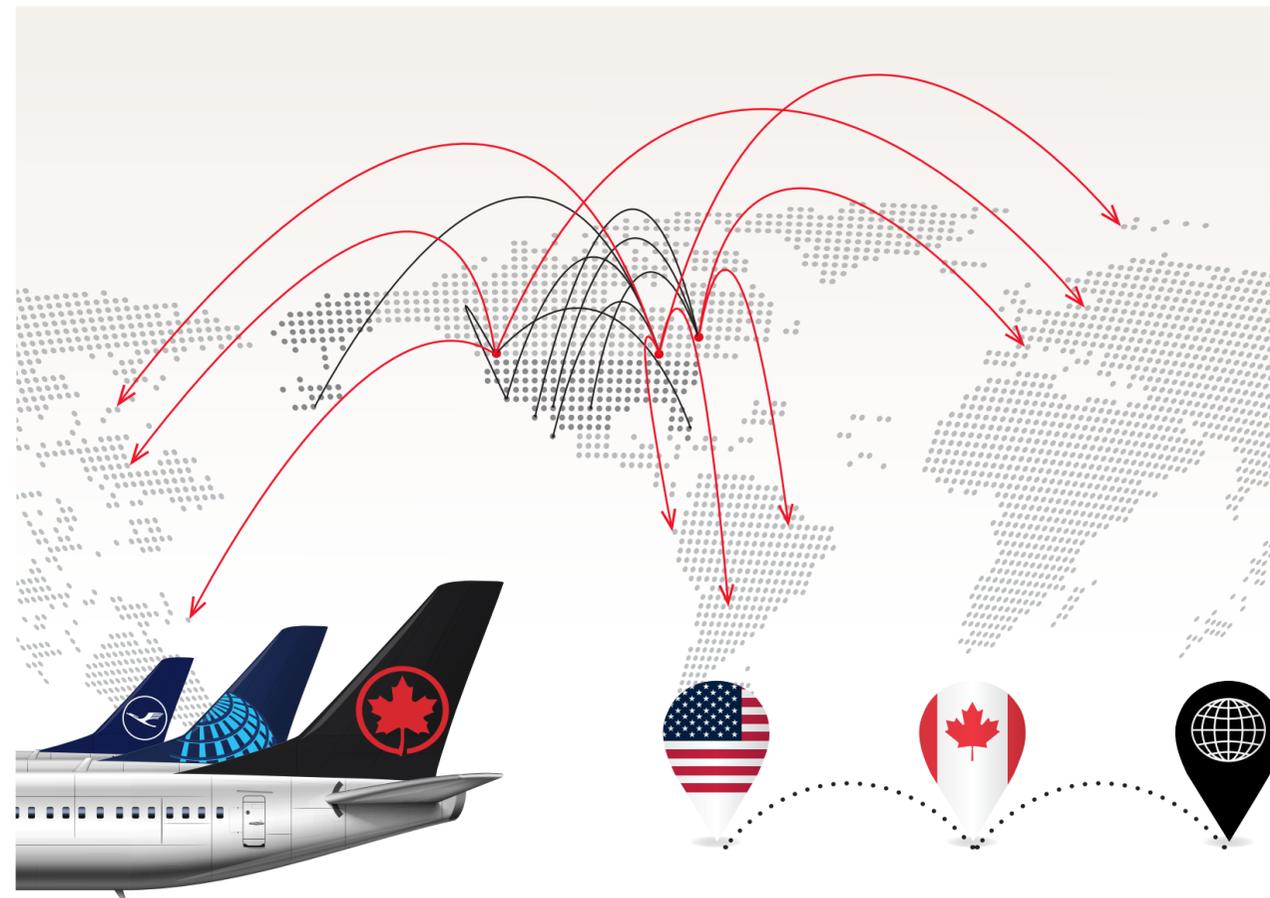
We also finalized an agreement for the purchase of two new Boeing 767 freighter aircraft, which were delivered in the second quarter of 2022 and entered service in the second quarter of 2023.

Network

After the drastic reduction of our domestic operations at the onset of the COVID-19 pandemic, we made significant improvements to restore our extensive network. In 2022, Air Canada offered the most seats and frequencies of any Canadian carrier with about 73 per cent of its 2019 operated capacity returning. Together with our contracted carriers, we operated an

average of 945 daily scheduled flights to 185 direct destinations on six continents in 2022:

- **Domestic:** Air Canada, together with our contracted carriers, operated an average of 518 daily scheduled flights to 51 stations, more than any other Canadian carrier.
- **Transborder:** Air Canada has the most non-stop destinations and flights to the U.S. from Canada and, together with our contracted carriers, carried more passengers between the two countries than any other airline. Air Canada's network reach was also enhanced through extensive connections and code share flights through our joint venture with United Air Lines, a Star Alliance™ partner.



- **International:** Air Canada progressively restored large parts of its international network post COVID-19. The ensuing easing of travel restrictions in 2021 and 2022 led to a strong rebound in demand for international travel. We took a significant step toward rebuilding our global network, offering direct scheduled services to 83 international destinations.
 - In a sign of our recovery, we relaunched many of our pre-pandemic routes and added new routes including the only non-stop service between North America and Thailand.
 - Three revenue sharing joint ventures (transatlantic joint venture with Lufthansa Group and United Airlines; new transborder joint venture with United Airlines; Air China joint venture)
 - 38 codeshare partners including 23 Star Alliance™ carriers and new strategic partner Emirates.

- New services launched to the U.S. from Montréal to Atlanta and Detroit; Toronto to Salt Lake City; and Vancouver to Austin. Within Canada, three new routes began between Montréal and Gander; Calgary and Fort St. John; and Vancouver and Halifax. Additionally, service was restored on 41 North American routes.
- A strategic South Pacific network expansion with the return of our service to the Australian cities of Sydney and Brisbane and New Zealand's major city of Auckland, strengthening our South Pacific schedule.

Star Alliance™

Air Canada is a founding member of the Star Alliance™ network, the world's largest airline alliance group. Through the 26-member airline network, Air Canada offers its customers access to a wide global network, as well as reciprocal participation in frequent flyer programs, check-in and ticketing services and the use of airport lounges and other common airport facilities, which improve the customer travel experience.

In addition to codeshare relationships with 23 of the 26 Star Alliance™ members, Air Canada maintains revenue-sharing joint business agreements with Air China on routes between Canada and China, and with United Airlines and Lufthansa Airline Group on transatlantic markets.

Air Canada and United Airlines launched a new revenue-sharing joint business agreement on the Canada-U.S. transborder market in 2022, building on the airlines' long-standing alliance and providing more flight options and better schedules to customers travelling between the two countries. Customers can connect to nearly 40 destinations in the U.S. and eight of the most popular cities in Canada on more than 80 transborder codeshare routes, all while enjoying the benefits of the carriers' MileagePlus® and Aeroplan loyalty programs. The agreement also strengthens and grows the carriers' respective networks and helps accelerate their COVID-19 recovery.

Aeroplan

As Canada's premier travel loyalty program, Aeroplan enables members to accumulate points through travel on Air Canada and select partners, as well as through the purchase of products and services from participating partners and suppliers. Total membership is at an all-time high, with over seven million active members gained by spring 2023.

Aeroplan continued to build and expand its 45+ partner airline network, adding Bamboo Airways and Sun Express, enabling customers to reach more destinations than ever before. We're continuing to provide members with more choice, more inventory and a more diverse and global product offering of airline options. Following on Air Canada's strategic partnership and the activation of a codeshare with Emirates, we also implemented joint loyalty program benefits for Aeroplan and Emirates Skywards members. The partnership with Emirates provides greater reach to Aeroplan's network in the Middle East, Africa, Southeast Asia and the Indian subcontinent.



Air Canada Vacations

Air Canada Vacations is a leading Canadian tour operator, developing, marketing and distributing vacation travel packages in the outbound leisure travel market (i.e., Caribbean, Mexico, U.S., Europe, Central and South America, South Pacific, Australia, Asia) and the domestic leisure travel market (destinations within Canada). It offers cruise packages in North America, Europe and the Caribbean as well as curated packages that complement Air Canada's business. In 2022, Air Canada Vacations launched its first fully digital Sun Collection brochure for the 2022-23 season. Dream of Sun is an interactive digital brochure meant to inspire Canadians for their next vacation. In 2022, Air Canada Vacations also embarked on a project to digitize customer communications in sun destinations namely, Mexico, Caribbean, Central and South America. Catalogues placed at hotels with information regarding ground transfers and excursions are being replaced by QR codes to digital landing pages. We expect that this initiative will be completed by the end of 2024.



New technologies

Air Canada successfully trialed its first digital identification in 2022 with Transport Canada and the Vancouver Airport Authority for its digital identification gate located at YVR airport. Our digital identification technology takes measurements of the person's face and creates a numeric representation called a faceprint. The program is voluntary and customers who do not wish to use biometric boarding may simply board according to the normal boarding process.

Air Canada launched the beta test of our new meal pre-order offering, which enables customers to pre-select a main course option between 30 days and 72 hours of their flight departure. Our initial launch was on flights departing Toronto to four destinations in South America (i.e., Bogotá, Lima, Santiago, São Paulo) for customers in Air Canada Signature Class and Premium Economy. Our beta phase will gradually expand through 2023 with a goal of including all Canada-outbound flights by year-end.



Product enhancements

- Aeroplan Members can earn and redeem miles across the vast Star Alliance™ network, giving customers access to faster and more-convenient service.
- Live TV was launched on select aircraft on domestic routes, making Air Canada the sole domestic carrier to offer six Canadian English and French channels as part of our complimentary and extensive in-flight entertainment programming.



- Our enhanced in-flight dining experience includes a restored Premium Economy cabin experience and expanded Bistro offering with more seasonal variety, improved hot casserole options and new tray components for our International Economy Class customers.
- Customers in Air Canada Signature Class (all international flights) as well as International Premium Economy and North America Air Canada Signature Class receive new amenity kits on board their flight.
- We boosted our investment in our Maple Leaf Lounge experience with a contemporary buffet service, expanded Café offering and new Priority Access Lanes for Air Canada Signature Class, Business Class and Aeroplan Super Elite customers. We expanded our Porsche-powered tarmac chauffeur service with service in Toronto and in Vancouver.
- We launched the Air Canada Signature Club for select Montréal Canadiens season ticket holders. This ultra-premium lounge at Centre Bell (home arena of the NHL's Montréal Canadiens) offers hockey fans an ultimate viewing experience of their favourite team.

Ready to take-off | Governance | ESG oversight

Cargo

Air Canada Cargo operated more than 3,600 cargo-only flights to over a dozen destinations including Toronto, Halifax, St. John's, Miami, Atlanta, Dallas, Quito, Lima, Bogotá, San Juan, Mexico City, Guadalajara, Madrid and Frankfurt. Our second converted Boeing 767-300ER freighter entered commercial service in April 2022. We had three Boeing 767 dedicated freighters by the end of 2022. Air Canada Cargo also uses cargo space available in Air Canada's mainline wide-body aircraft.

Air Canada Cargo became the first Canadian operator to use the Envirotainer Releye RLP and larger RAP, which are live-monitored, temperature-controlled certified aircraft containers. The Releye RLP and RAP containers are designed to meet the strictest requirements in pharmaceutical air freight. They have 170 hours of autonomy (i.e., more than a week) on a single battery charge and can maintain the temperature and protect the cargo longer than any other available solution.

In 2022, we began operating our new 30,000-square-foot, temperature-controlled cargo facility in Toronto. Located inside our YYZ global cargo hub,

this project has expanded and enhanced our capacity to handle perishable items such as fresh produce and pharmaceuticals.

Air Canada Cargo and Drone Delivery Canada (DDC) participated in a six-month health care transportation pilot project in Ontario. Acting as a sales agent for DDC, Air Canada Cargo was instrumental in bringing together multiple partners to launch the project, known as Care by Air, in early October 2022. Care by Air, using DDC's Sparrow drone, which has a range of 20 kilometres and can reach speeds of up to 60 kilometres per hour, will carry light medical supplies between Oakville Trafalgar Memorial Hospital, operated by Halton Healthcare, and a DSV Air & Sea Canada logistics facility in Milton.

Air Canada's Cargo division became the first airline to be recertified by IATA for the safe transport of live animals. IATA recognized Air Canada Cargo with the Center of Excellence for Independent Validators for Live Animals Logistics (CEIV Live Animals) recertification following the successful completion of the verification process.



Air Canada Cargo introduced a highly specialized service for equine transportation on its Boeing 767-300 freighters. Using stalls specifically designed to transport prized horses, and with equine attendants accompanying horses that are accommodated on the same flights, we provide high standards of safety, care and state-of-the-art service, compliant with the International Air Transport Association (IATA) Live Animal Regulations. In early 2023, the Royal Canadian Mounted Police gifted a horse, named Noble, to King Charles III ahead of his coronation ceremony in May.

Air Canada Cargo made use of its new equine shipping expertise with its freighter aircraft to transport the mare from Canada to her new home in the United Kingdom.

In September, Air Canada Cargo became the first North American carrier to join the CargoWise platform as it continues to enhance its digital capabilities. The integration of CargoWise as an eBooking platform will give customers real-time access to schedules, pricing and booking.



Additionally, Air Canada Cargo works closely with the Air Canada Foundation on numerous initiatives to help communities in need in Canada and beyond, helping children access critical medical care and responding in times of crisis.



Air Canada Cargo moved special artifacts from Terrace, B.C., to Ottawa, slated for the Canadian Conservation Institute, in September.

Governance

Being a global champion demands responsible corporate citizenship and doing what is right for the long-term interest of shareholders, employees, customers, communities and other stakeholders. This includes governing our business responsibly, safely and ethically. Air Canada is governed by a 13-member Board of Directors that is committed to meeting high standards of corporate governance in all aspects of the Corporation's affairs.

The Board fulfils its duties and responsibilities directly and through four standing committees: Audit, Finance and Risk Committee; Governance and Nominating Committee; Human Resources, Compensation and Pension Committee; and Safety, Health, Environment and Security Committee⁴.

Board committees are composed entirely of directors that are independent of management. Their roles and responsibilities are set out in written charters, which are reviewed annually to ensure they continue to reflect best practices, applicable regulatory requirements and emerging priorities. The following tables contain information about the members and purposes of each committee. The Board recently amended its committee charters, enhancing the description of its oversight of strategies, policies and practices relating to ESG matters, including its focus on cybersecurity, diversity and inclusion.

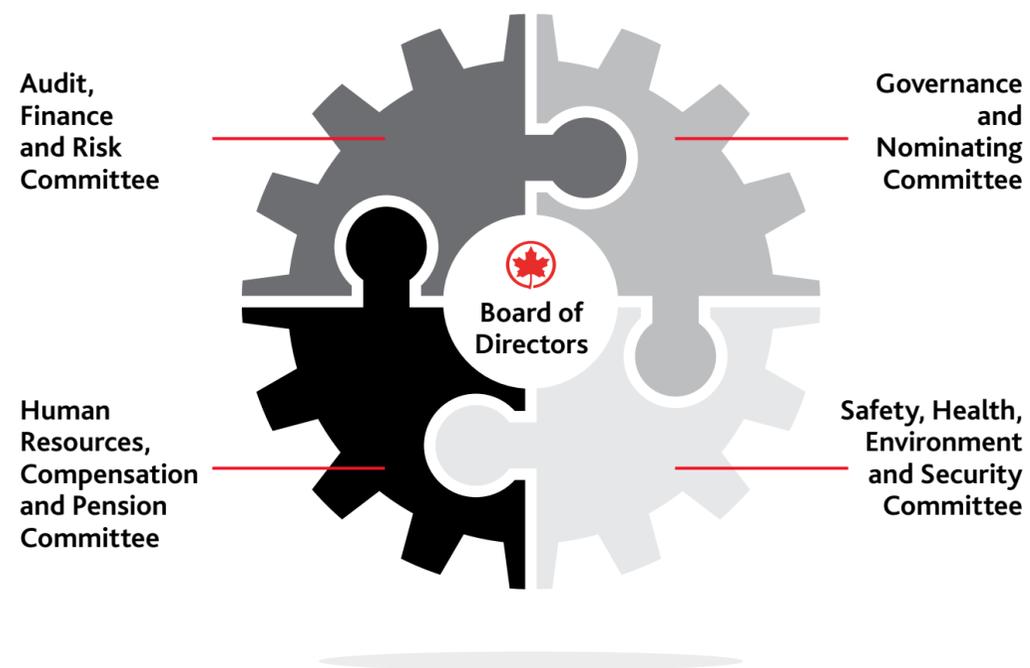
Board committees meet, at a minimum, on a quarterly basis. The Chair of the Board and President and CEO are invited to and attend committee meetings regularly (except portions that require *in camera* discussions).

	Audit, Finance and Risk Committee	Governance and Nominating Committee	Human Resources, Compensation and Pension Committee	Safety, Health, Environment and Security Committee
Vagn Sørensen Chairman of the Board, Air Canada United Kingdom				
Amee Chande Corporate Director and Strategy Consultant British Columbia	Member			Member
Christie J.B. Clark Corporate Director Ontario	Chair	Member		
Gary A. Doer Corporate Director Manitoba			Member	Member
Rob Fyfe Corporate Director New Zealand			Member	Chair
Michael M. Green Chief Executive Officer and Managing Director, Tenex Capital Management New York			Member	Member
Jean Marc Huot Partner, Stikeman Elliott LLP Québec		Member		Member
Claudette McGowan Chief Executive Officer, Protexxa Inc. Ontario	Member			
Madeleine Paquin President and Chief Executive Officer, Logistec Corporation Québec		Member		Member
Michael Rousseau President and Chief Executive Officer, Air Canada Québec				
Kathleen Taylor Corporate Director Ontario	Member	Member	Chair	
Annette Verschuren Chair and Chief Executive Officer, NRStor Inc. Ontario	Member	Chair		
Michael M. Wilson Corporate Director Alberta	Member		Member	

⁴ In 2023, the name of the Human Resources and Compensation Committee was amended to reflect its responsibilities for pension-related matters, which were previously overseen by a separate pension committee.

ESG oversight

The Board of Directors has oversight of Air Canada's environmental, social and governance (ESG) activities and strategies, and all Board committees are mandated to perform their activities having regard to them.



Management approach to ESG

ESG practices and strategies are integrated in Air Canada's business strategy and help inform decision-making. Corporate sustainability initiatives are identified and co-ordinated through a Corporate Sustainability Working Group and a Corporate Sustainability Steering Committee. The Corporate Sustainability Working Group, led by the Head of Investor Relations and Corporate Sustainability, comprises senior management subject matter experts from diverse functions. It is tasked with the co-ordination and monitoring of Air Canada's corporate sustainability initiatives. Progress on these initiatives is shared with the Governance and Nominating Committee. For more details about Board committees, please refer to Air Canada's 2023 Management Proxy Circular on aircanada.com and on www.sedar.com.



Ethical business practices

Ethical and sound business practices and behaviour are fundamental to Air Canada's governance culture, as exemplified in Air Canada's Corporate Policy and Guidelines on Business Conduct (the Code). The Code applies to all directors, officers and employees of Air Canada.

The Code addresses, among other things, conflicts of interest, use of corporate assets, confidential information, compliance with laws and fair dealing with other people and organizations. The Code also includes information and guidance on how employees can report actual or potential misconduct on an anonymous basis through an independent third-party reporting system. An online reporting portal and toll-free telephone lines for Canada, the U.S. and other countries form part of the system. Retaliation in any form against anyone who reports a violation of the Code and related policies or of any law, rule or regulation is prohibited, and reported instances of suspected retaliation are investigated.

Employees have a responsibility to understand and follow the Code. All directors and management employees are required to complete an interactive training module each year to confirm they have read the Code, will follow its terms, undertake to promote the guidelines of the Code, and take all reasonable measures to ensure employees that are under their supervision comply with the Code. New employees are required to read and acknowledge the Code, and to complete a mandatory interactive training and information module with scenarios that promote ethics awareness and compliance with the Code as well.

The Corporation's ethics and Code-related activities are overseen by its Ethics Committee, which also has responsibility for managing the Ethics Reporting Program. This committee consists of members of executive and senior management with expertise in relevant areas (e.g., legal, human resources, compliance) and has oversight over internal ethics investigations.

Supplier Code of Conduct

Air Canada requires that new and existing suppliers adhere to our core values and meet the highest standards of ethical and responsible behaviour when they provide products or services. Air Canada has developed a Supplier Code of Conduct (SCC), which is a key component of our responsible and sustainable sourcing strategy. This principle-based code sets out our expectations of suppliers to ensure their behaviour aligns with Air Canada standards in key areas, such as business integrity, responsible business practices, responsible treatment of individuals and respect for the environment.

The SCC is aligned with the Code, promoting consistency in expected behaviours by employees and vendors and helping extend our culture of integrity across our operations. Vendors that act on behalf of the Corporation at international locations (e.g., general sales agencies) are required to disclose any activities that may give rise to a conflict of interests, helping assure business integrity through the Corporation's network.

The SCC includes provisions on forced and child labour matters, human rights, health and safety matters and ethical behaviours. The SCC also sets out expectations toward the reduction of suppliers' environmental footprint, demonstrating and promoting environmental stewardship (including through effective environmental management) and compliance with wildlife anti-trafficking laws. The SCC promotes transparency and accountability in the supply chain, and its principles are considered in our procurement and purchasing decisions. To contract with Air Canada, suppliers need to confirm they adhere to the SCC or an acceptable equivalent. We are committed to working with our suppliers to support compliance with the SCC, including through a contractual right to seek confirmation or to audit in order to verify that they meet SCC expectations.

Training initiatives

Air Canada has a comprehensive offering of training materials available to employees via its learning management system, covering a range of topics such as business ethics and effective communication. Aeronet, our internal portal for Air Canada employees, contains a library of Code of Conduct training modules that remain accessible to all employees. These materials are complemented by ethics awareness sessions delivered to select management groups by the Corporate Investigations and Ethics team. The sessions use scenarios that are conceived to enhance awareness and self-reflection about potential situations that employees could face in the workplace.

Monitoring

The Ethics Committee regularly reviews topics that are reported through internal reporting channels, including frequency of reports, timing of reporting and specific themes, and it provides input that helps develop future initiatives. Committee members are aware that these topics should be monitored and assessed, as this also increases understanding of what matters to employees. It also stays abreast of significant corporate projects to help ensure ethical practices and considerations are embedded.

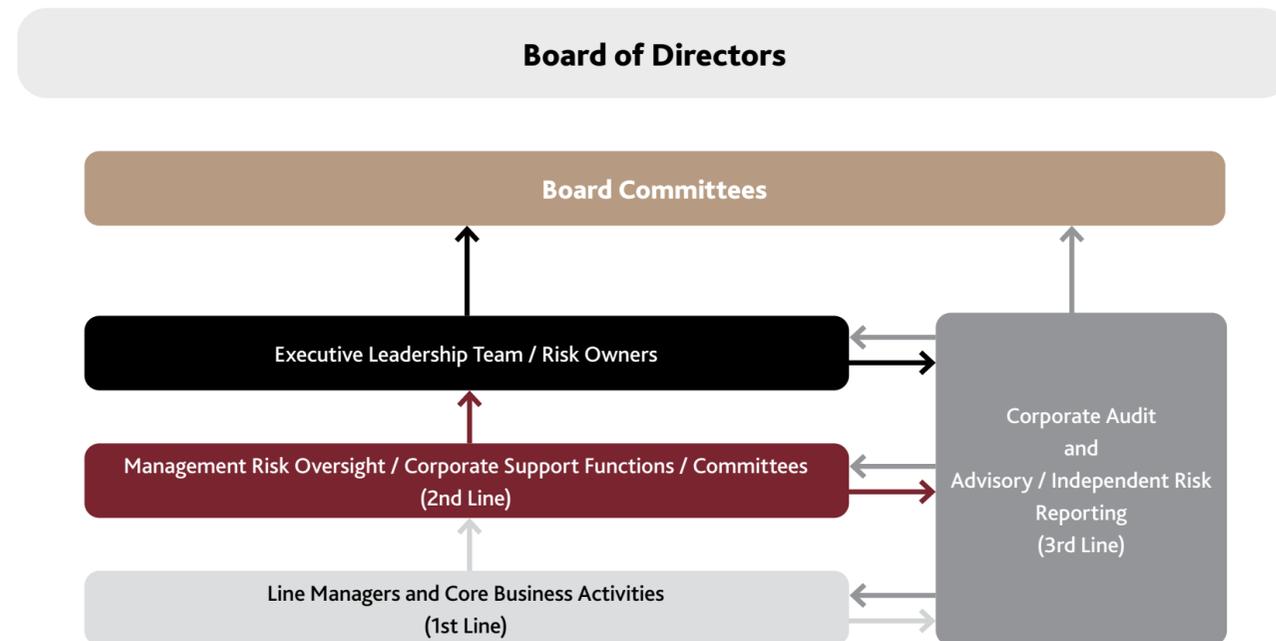


Responsible business conduct, policies and practices

Other Air Canada policies and guidelines are available to employees via Air Canada's intranet. Policies generally identify the business owner of the policy, which enables employees to reach out to a specific group if clarification or guidance is required.

Enterprise risk management

Air Canada identifies, assesses and mitigates risks through its risk management processes. Strategic risks are continually monitored and reported through our Enterprise Risk Management (ERM) Program. Air Canada's ERM framework was developed to support governance and oversight over the Corporation's strategic risks and is aligned to the ISO 31000 standard and COSO ERM 2017 framework. ERM risk reporting is maintained by the Corporate Audit and Advisory department, which provides an independent update as to the state of each enterprise risk on a quarterly basis and more frequently, as needed. Insight is provided on a regular basis to the Board of Directors through the Board's Audit, Finance and Risk Committee. For more information about Air Canada's enterprise risk management and governance, refer to page 79 of Air Canada's 2022 Annual Report. Air Canada's ERM governance structure is as follows:



Corporate compliance

The Corporate Compliance lead (CCL) is responsible for assessing and managing compliance risks and helps design policies, procedures and controls to mitigate those risks. The CCL manages a compliance risk assessment process, methodology and related working tools to periodically evaluate, update and measure material legal, compliance, policy and contract risks. Such risks and progress on how they are managed are reported on a quarterly basis to the Board's Audit, Finance and Risk Committee. The CCL also fosters a culture of compliance and integrity throughout the organization by promoting awareness of compliance standards, encouraging ethical decision-making and providing guidance to employees at all levels.

Anti-corruption and fraud prevention

Ongoing compliance with anti-corruption laws and regulations is a key element of our risk assessment process. Initiatives have evolved over the years through the development of a specific comprehensive Anti-Corruption Compliance Program, which includes:

- Maintaining and updating a global anti-corruption policy and guidelines.
- Identifying higher risk business activities and functions.
- Conducting interviews and focus group sessions on anti-bribery risks and practices.
- Establishing a communications plan and a tailored risk-based training program (comprising targeted in-person training sessions for executives and selected groups that deal in more-sensitive areas, as well as general awareness training for management employees).

The Fraud Prevention Monitoring and Oversight Committee is responsible for monitoring the general state of fraud management, including new and emerging trends and risks, and the performance of company-wide fraud mitigation structures, processes and governance. Continued efforts were devoted to increasing education and awareness on potential risks in relation to corruption, fraud, conflicts of interest and insider threats, including in the context of launching new destinations (or resuming operations) in jurisdictions with potentially higher corruption risk.

Competition

Competition law compliance is a continuous area of focus due to profound changes the industry experienced because of deregulation, liberalization and globalization, and competition law regimes worldwide. We have implemented policies, specific guidelines, regular targeted training programs and other internal controls to ensure that competition law principles are ingrained in our decision-making processes and business practices. Through regular assessments and audits, we monitor our operations to identify and mitigate any potential competition law risks. Employees are made aware non-compliance may include substantial regulatory penalties and sanctions, litigation and criminal penalties against corporate officers, directors and other personnel.

Policies, guidelines and training materials are revised to align with applicable laws and regulations and with developing trends in antitrust risk, notably in terms of compliance effectiveness and behaviour modification. Employees are also reminded when new initiatives or projects may have competition law implications.

Privacy and cybersecurity

Safety First, Always, extends to privacy and cybersecurity. Air Canada is committed to protecting our customers' and employees' personal information and their right to privacy. Privacy policies describe how personal information is collected, used and shared. The policies also describe the rights of individuals over that information. The Privacy Office oversees the use of this information and monitors compliance of these policies with data protection laws. Air Canada relies heavily on technology to operate its business and resolve any technology systems failure or data breach that could have a material adverse effect on Air Canada, our business, results from operations and financial condition. Air Canada has developed a cybersecurity framework and continually improves its privacy action plan to advance privacy maturity and cybersecurity resilience. We invest in security initiatives that include technology, processes, resourcing, training, disaster recovery and regular testing and benchmarking against best practices. We also seek to ensure that vendors have effective cybersecurity and privacy controls that are aligned with Air Canada's best practice cybersecurity policies and standards.

Privacy and cybersecurity training and awareness

There are ongoing privacy training and awareness activities aimed to help employees accurately identify what personal information is and how to best protect it. In 2022, Air Canada introduced a mandatory privacy training for management to nurture a culture of privacy protection, continue to refine privacy knowledge and empower employees to take privacy-oriented action when handling personal information.

In addition, the Cybersecurity and Privacy Champions Program, a group that represents employees from all branches, backgrounds, skills and levels of knowledge on privacy and cybersecurity, continued to grow in its second year.

Cybersecurity and Privacy Awareness Month

Cybersecurity and privacy information and resources are shared to help Air Canada employees make better decisions on the job and at home to help keep Air Canada's systems and data safe. For instance, employees were invited to participate in drop-in days, hosted by the Cybersecurity and Privacy Awareness team, at our hubs in Montréal, Toronto and Vancouver to learn more about how they can help. Employees also have access to Air Canada's Cybersecurity and Privacy Podcast, which brings together experts to help educate listeners on how they can protect systems and data.

AIR CANADA-SPONSORED TEAM RANKS 1ST AT EUROPEAN CYBERSECURITY CHALLENGE



In 2022, Air Canada was a platinum sponsor for Canada's CyberSci competitions, which invite students from schools across the country to participate in hackathons and gain exposure to real-world challenges in web security, cryptography, reverse engineering and more. Through their participation and the involvement of sponsors like Air Canada, Canada's next generation of cybersecurity talent can better understand the types of career opportunities that are available to them and build relationships with potential future employers.



Team Canada comprised students from Polytechnique Montréal, University of British Columbia, University of Calgary, University of Toronto and University of Waterloo. The team took first place among the guest countries at the European Cybersecurity Challenge in Vienna, and we're proud that we helped them get there so that they could fly the flag on the world stage.

Human rights

Respect for human rights is a fundamental value at Air Canada that is reflected throughout our policies, procedures and activities. We recognize the inherent worth of every individual, and we strive to create an inclusive, equitable and diverse work environment where all people are treated equitably and with fairness and respect. Discrimination, prejudice, harassment or violence in any form is not tolerated.

Air Canada upholds human rights in its relationships with employees, customers, suppliers and other business partners; we expect them to share our commitment and avoid causing or contributing to any human rights infringements through their actions. We recognize our ongoing responsibility to ensure proper measures are implemented to mitigate the risk of modern slavery and human trafficking in our operations, either directly or through our service providers and community partnerships. [Air Canada's Modern Slavery and Human Trafficking Statement](#) outlines our commitments, policies and initiatives in this regard. Air Canada offers mechanisms for individuals to report situations that could represent a contravention of the law, human rights abuses or harassments in our operations. These mechanisms include the Corporation's Ethics Reporting system and the Human Rights and Harassment Office (HRHO).

Every three years (or more often, as required), Air Canada reviews and updates our Workplace Harassment and Violence Prevention Policy that applies to all Canadian-based employees. The HRHO works to maintain this policy to reflect the law and best practices.

Complementing Air Canada's commitment to sharing its ESG performance and commitments through its annual *Citizens of the World* report, Air Canada takes part in an ESG assessment conducted by EcoVadis. The EcoVadis analysis covers four general themes: environment, labour and human rights, ethics and sustainable procurement. In 2023, Air Canada ranked in the 85th percentile and was awarded a silver medal for its performance, meaning it ranked in the top 25 percent with its score.



Value chain

Air Canada works with more than 7,000 suppliers worldwide. In 2022, we spent about \$7.3 billion on products and services from Canadian suppliers alone, excluding fleet transactions and labour. In 2022, our total supplier spend was about \$11.8 billion, also excluding fleet transactions and labour. Several organizations within Air Canada are charged with managing the supplier relationships, though its Strategic Procurement team, whose purview also includes fuel purchases, accounts for most of the sourcing of these expenditures. Air Canada endeavours to source locally wherever feasible.

SUPPLIER GEOGRAPHIC LOCATION

Canadian: 52%

U.S.: 15%

Other: 33%



Procurement policy

In 2022, we amended the Air Canada Procurement Policy and integrated sustainability considerations into the procurement process to facilitate better conversations regarding sustainability with our suppliers.

Starting with an awareness campaign of our corporate sustainability commitments, our procurement professionals are trained to underline the important roles that our suppliers hold to promote responsible business conduct. To complement this, tools were created to support opportunities and guide the procurement process to better align stakeholders. The desired outcome is to ensure that responsible business conduct and impacts such as to the environment are assessed upfront and integrated as part of the bidding criteria. Suppliers are advised of our corporate sustainability goals and ambitions, and our bid documents request that suppliers demonstrate their alignment with our objectives.

Through its sustainable procurement policy, Air Canada may prioritize suppliers that demonstrate diligence and concrete actions toward ESG factors including by selecting sustainable alternatives to minimize environmental impacts, assessing product lifecycle management and encouraging engagement of certified, diverse suppliers.

Notably, in 2022, the percentage of procurement employees trained on sustainable procurement was close to 90 per cent. Procurement stewardship is expected of all procurement employees and, as such, each vertical team is responsible for ensuring their team is trained in all policies and processes.

Close to 90% of procurement employees trained on sustainable procurement

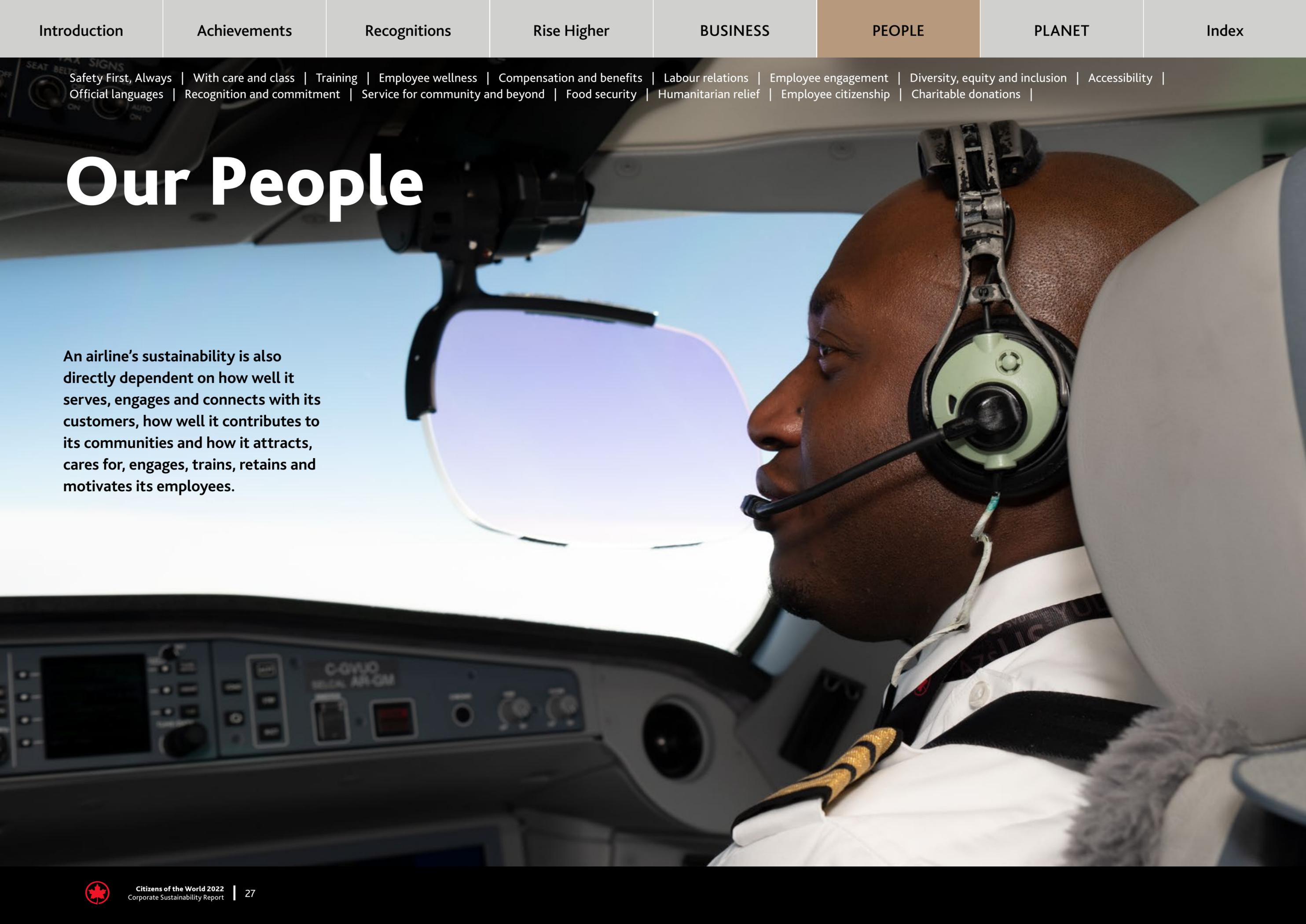
Since 2019, Air Canada and subsidiaries (including Air Canada Vacations) have committed to no longer sell or promote packages to, or generate revenue from, attractions that involve the captivity of current or future generations of dolphins. In 2020 and 2021, Air Canada Vacations further acted on this commitment, collaborating with its suppliers and contracted hotels to continuously reduce the practice of keeping dolphins in captivity. Air Canada Vacations also looks to ensure that its partner hotels support our initiatives to combat human trafficking and align their business practices with our policies. Air Canada Vacations has partnered with hotels or resorts that are recognized by the **Global Sustainable Tourism Council** with the following certifications: Biosphere Responsible Tourism, Certification for Sustainable Tourism, EarthCheck, Foundation for Environmental Education's Green Key, Green Globe, Green Key Eco-Rating Program, Preferred by Nature (including Rainforest Alliance) and Travelife.



Safety First, Always | With care and class | Training | Employee wellness | Compensation and benefits | Labour relations | Employee engagement | Diversity, equity and inclusion | Accessibility | Official languages | Recognition and commitment | Service for community and beyond | Food security | Humanitarian relief | Employee citizenship | Charitable donations |

Our People

An airline's sustainability is also directly dependent on how well it serves, engages and connects with its customers, how well it contributes to its communities and how it attracts, cares for, engages, trains, retains and motivates its employees.



Safety First, Always | With care and class | Training | Employee wellness | Compensation and benefits | Labour relations | Employee engagement | Diversity, equity and inclusion | Accessibility | Official languages | Recognition and commitment | Service for community and beyond | Food security | Humanitarian relief | Employee citizenship | Charitable donations |

Safety First, Always

At the heart of our culture is our number one central value: **Safety First, Always**. The core consideration in all we do, the safety of our customers, employees and those in communities where we fly and serve is always our top priority. We also aim to create a healthy, inclusive and rewarding work environment, where everyone belongs, can excel and realize their full potential. We are committed to contributing to the socio-economic growth and wellness of communities in which we operate and, together with our value chain and customers, seek to make a positive difference in the lives of people in need across Canada through financial and in-kind support. To accomplish this, we understand that we need to foster an environment that prioritizes and encourages good health and well-being, effectively provide resources, support worthy causes and partner with organizations to further our impact with our employees and communities.

Safety management

Safety management is a critical responsibility and affects virtually every operational decision Air Canada makes. The Corporation has established the structure, processes and resources to ensure that all aspects of safety and its stewardship are always prioritized and that safety measures are appropriate and effective for its employees, its customers and the general public.

Air Canada (1) supports and promotes effective employee training; (2) supports the continued development and integration of safety data analytics and artificial intelligence into its Safety Management System (SMS); (3) continually assesses and manages safety risks associated with the introduction of new equipment, new routes and new initiatives or projects; and (4) reinforces and promotes safety reporting, protecting safety critical information in order to inform its decisions going forward.

In accordance with the *Canadian Aviation Regulations* (CARs) and IATA Operational and Safety Audit (IOSA) Standards, Air Canada implemented, at all levels of the operation, a safety policy that is appropriate for the size and complexity of our organization. It is the basis of the Air Canada SMS. Air Canada also holds a safety checklist, outlining requirements and processes for its contractors working on its premises.

Safety across the aviation environment

Air Canada joined the Transport Canada Collaborative Action Group (CAG) to address top threats and hazards in aviation, ensuring continual progress regarding safety. This work has expanded and now sits as a major government and industry working group to examine aviation threats, define hazards and develop mitigations to minimize these threats. Air Canada, in 2022, held the industry chair position and directed the work and policy developments needed to grow this capability.



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Safety management system

To improve the safety performance of Canadian air operators and increase accountability in the aviation sector, the *Canadian Aviation Regulations* (CARs) require that air operators implement an SMS in their organizations and appoint executives who are accountable for safety. An SMS is a systematic approach to managing safety, including through the necessary organizational structures, accountabilities, policies and procedures. Both Air Canada and Air Canada Rouge have implemented an SMS that meets and exceeds the requirements of applicable laws.

The SMS ensures:

1. Active involvement of management, employees and health and safety committees
2. Continual development, monitoring and improvement of effective safety practices
3. Appropriate training and education programs
4. An inspection and audit process that provides feedback and results with timely corrective action
5. A safety performance system that provides timely feedback to all employees
6. A commitment to the communication and promotion of safe work practices and processes

At all levels of the operation and in accordance with CARs and IATA Operational and Safety Audit (IOSA) Standards, we implemented a safety policy that is right for the size and complexity of our organization. It is the basis of the Air Canada SMS. Beyond this, we also ensure that third-party contracts and staff working with Air Canada have their own SMS or that they are prepared to meet specific safety standards and expectations while working with Air Canada.

- Air Canada's President and CEO is the designated accountable executive for Air Canada's SMS.
- Air Canada's Vice President of Safety is responsible for the day-to-day administration and corporate oversight of the SMS.
- Air Canada's President and CEO is also the designated accountable executive for Air Canada Rouge's SMS, and the Director of Safety, Security and Regulatory Affairs is responsible for day-to-day administration and oversight of Air Canada Rouge's SMS.
- The Executive Vice President and Chief Operations Officer reports directly to the President and CEO and oversees all aspects of safe, reliable and efficient operations throughout Air Canada's global network. The Senior Vice President of Global Airports and Operations Control has the overall authority and is accountable and responsible

for operational oversight of the following areas: Airports (North America); International Operations; and System Operations Control (SOC).

- The Senior Vice President of Flight Operations and Maintenance is the designated "Operations Manager," responsible for safe flight operations and control of the SMS and maintenance.
- The Senior Vice President of Flight Operations and Maintenance reports directly to the Executive Vice President and Chief Operations Officer. The management functions for the SMS are assigned to the Vice President of Safety.

The Air Canada Corporate Safety Board, chaired by the CEO, meets quarterly to oversee and guide the safety program (includes data from Air Canada Rouge). Air Canada Rouge also holds quarterly meetings for its Corporate Safety Board. New aircraft, new routes, changing organizational structures and business practices present opportunities for development and growth.

Effective safety management is critical to ensure hazards and risks are identified and mitigated as best as possible. Our established structure was instrumental for quick and judicious decision-making at the onset and throughout the COVID-19 pandemic and continues to yield advantages.



**La sécurité,
une affaire de
tous les instants**

**Never give safety
a day off**

 MAINTENANCE

Safety communications

We employ network-wide communications processes to promote safety and allow the SMS to function effectively and ensure that uninhibited reporting of hazards and occurrences that may compromise the health, safety or security of Air Canada, its employees, customers, communities are submitted. The Air Canada Safety and Security Reporting Policy provides a confidential process and assures that no company disciplinary action or reprisal will be taken against any employee who reports a hazard or an occurrence that affects safety. We ensure an appropriate flow of safety information is exchanged between Air Canada, Air Canada Rouge and contracted carriers and is extended to all levels within the Corporation thanks to an established integrated safety management process.



Safety First, Always | With care and class | Training | Employee wellness | Compensation and benefits | Labour relations | Employee engagement | Diversity, equity and inclusion | Accessibility | Official languages | Recognition and commitment | Service for community and beyond | Food security | Humanitarian relief | Employee citizenship | Charitable donations |

Safety information management

All safety data is stored within the Air Canada Safety Information Management System (SIMS). Safety reporting is accessible to all employees via SIMS for the purposes of report submission and acknowledgment receipt. This system facilitates and enhances our capabilities in the capture and analysis of safety reporting and quality assurance data. It also includes the capacity to monitor safety risks and compliance and links to occupational health and safety tools. The configuration permits employees to submit hazard reports, including health and safety concerns, which are then handled by the appropriate committee via the WebOHS tool. This online application for health- and safety-related work is accessible to all health and safety committees.

An investigation and research group consisting of experts recruited from across all operational branches forms the core safety team. It collects and manages safety-related information gathered through the reporting system. Supported by its investigation and flight data monitoring experts, this group catalogues trends in incidents, reports on flight safety, conducts flight analysis and flight re-creations, develops comprehensive statistical data for senior management and identifies operational trends, threats, risks and hazards. This group leads all formal investigations, conducts industry-benchmarking activities, participates in international aviation forums and provides detailed quality analysis on the reporting tools and the safety process itself.

All safety metrics are reported on a quarterly basis to each branch and, ultimately, the Corporate Safety Board (composed of executives and senior management) and the Board of Directors (Safety, Health, Environment and Security Committee). This continuous feedback loop improves and informs our training on health and safety risks and keeps good working practices in place.

Safety culture surveys

Biennial, voluntary and confidential safety culture surveys are conducted to collect employees' insights on safety. The results indicate that most employees feel safe to report errors, concerns and hazards. They understand why safety operating procedures are created and feel supported in their ability to learn new safety procedures. Air Canada's Corporate Safety team launched the first Safety Pulse Survey 12 years ago. The survey is carried out every two years, with the last one held in October 2022. We leverage the survey to help shape the future Corporate Safety strategy and develop key safety projects and initiatives. The next survey will be conducted in 2024.

Air Canada also highlighted health and safety initiatives for employees during Health and Safety Week in May 2022. The goal is for employers, employees, partners and the public to understand the importance of preventing injury and illness in the workplace, at home and in the community.

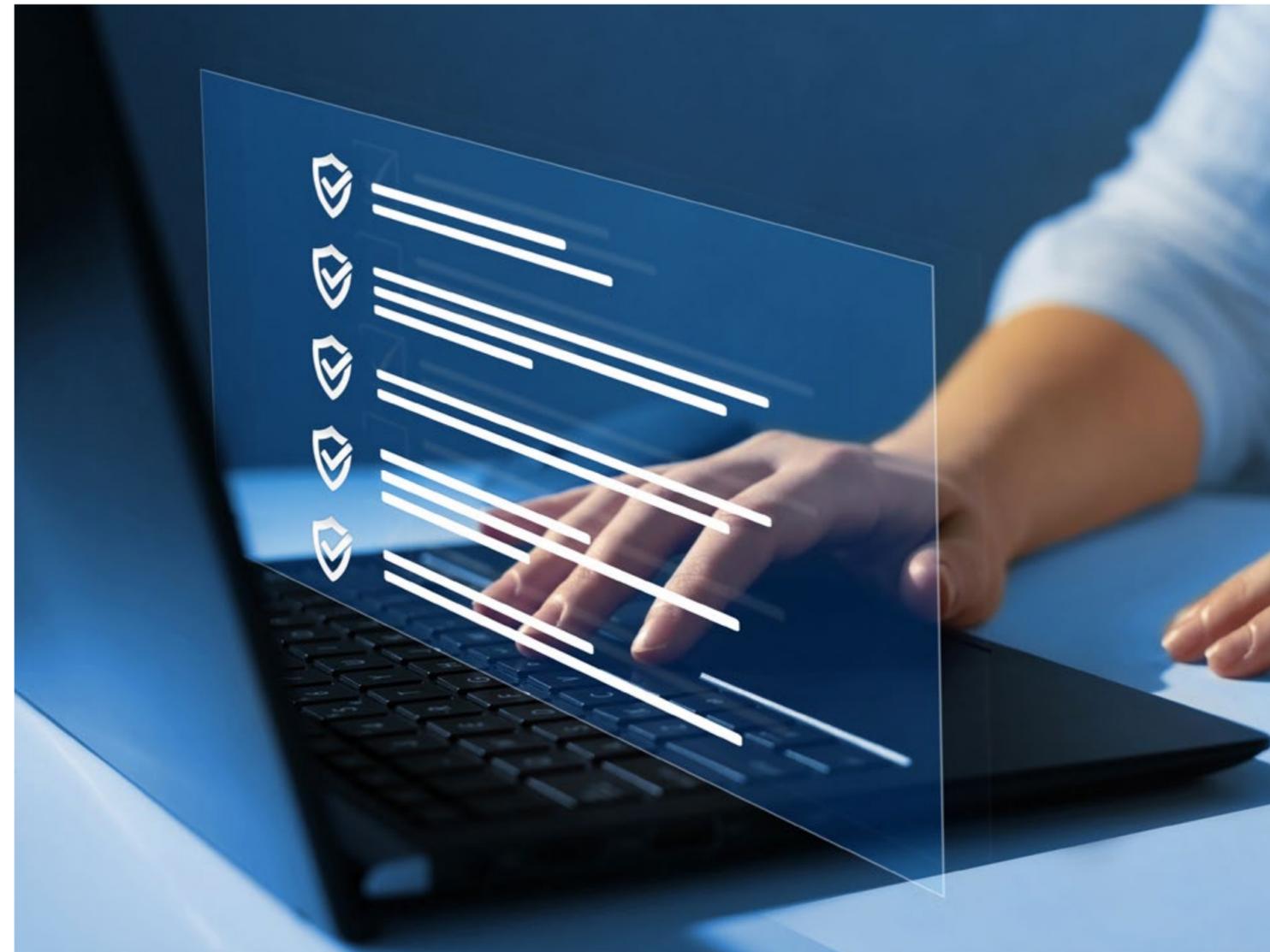
Third-party audits and inspections

The IOSA Program is an internationally recognized and widely accepted evaluation system designed to assess the operational management and control systems of Air Canada and Air Canada Rouge. It is conducted biennially and is a critical audit that governs international operations, code share and alliance memberships. Successful completion of the audit is critical and, as such, a determined and focused effort is required to demonstrate safe, sound and effective practices to the independent assessment team. In 2021, Air Canada and Air Canada Rouge completed their eighth biannual IATA Operational Safety Audit. The next audit is expected to take place in 2023 (after the publication of this report).

Air Canada and Air Canada Rouge have a robust process in place to identify and mitigate potential operational risks, including those resulting from new aircraft, routes or initiatives. Air Canada Vacations' contracts with its partner hotels and ground handlers include strict safety standards to which these suppliers are held. Site inspections are conducted annually to ensure protocols are followed and standards are met. Should Air Canada Vacations receive any complaints about the health and safety of its customers, it immediately addresses them directly with its supplier. Further inspections are conducted, when required, to ensure appropriate, corrective measures are made.

Associations

Air Canada is a leading and engaged member of international safety initiatives and is actively involved in IATA, ICAO, Airlines for America (A4A), National Airlines Council of Canada (NACC), the Aviation Safety Information Analysis and Sharing (ASIAS) system and regional safety meetings and working groups. We are closely aligned with IATA and the Star Alliance™ network concerning international benchmarking of standards and safety performance and share our experience and knowledge, especially in the field of flight data analysis, to help develop advanced safety tools for a better understanding of risk, threats and hazards.



Safety First, Always | **With care and class** | Training | Employee wellness | Compensation and benefits | Labour relations | Employee engagement | Diversity, equity and inclusion | Accessibility | Official languages | Recognition and commitment | Service for community and beyond | Food security | Humanitarian relief | Employee citizenship | Charitable donations |

With care and class

Onboard first aid

Our cabin crew is trained to provide lifesaving procedures over and above those mandated by aviation authorities, is qualified to use advanced equipment on board, such as Automated External Defibrillators (AED), and has access to medical professionals 24/7 via our medical assistance service provider.

Seeing the devastating effect of the rise in opioid-related overdoses and deaths in Canada, in early 2018, and prior to any regulation mandating us to do so, we began carrying naloxone kits on board. Naloxone (or NARCAN®) is a medication used to block the effects of opioids. Our onboard medical kits were overhauled in 2018 and are refreshed on an ongoing basis.

Continuing work that was started in 2019, the following year, we equipped our wide-body Boeing 777 and Airbus A330 aircraft with state-of-the-art diagnostic monitoring units that allow for real-time

electronic transmission of vital signs data as well as electrocardiograms to get the best remote diagnosis and treatment support available (Tempus Unit by Phillips).

First aid training for cabin crew was continually updated to incorporate the new reality of providing first aid in a COVID-19 environment and is consistent with revised national guidance, including changes to our CPR procedures where, for example, ventilations were suspended. Additional training on personal protective equipment (PPE) was offered, with a renewed focus on hand washing, surface decontamination and sanitization products, and the proper sequence for the safe donning and removal of PPE on board.

Approach to occupational health and safety

Occupational injuries and illnesses can provoke major crises for affected families. Our Occupational Health and Safety (OHS) Program is designed to protect employees from occupational hazards, minimizing risks to their health and well-being. The program establishes procedures for dealing with workplace hazards and meeting our obligations under applicable laws and regulations.

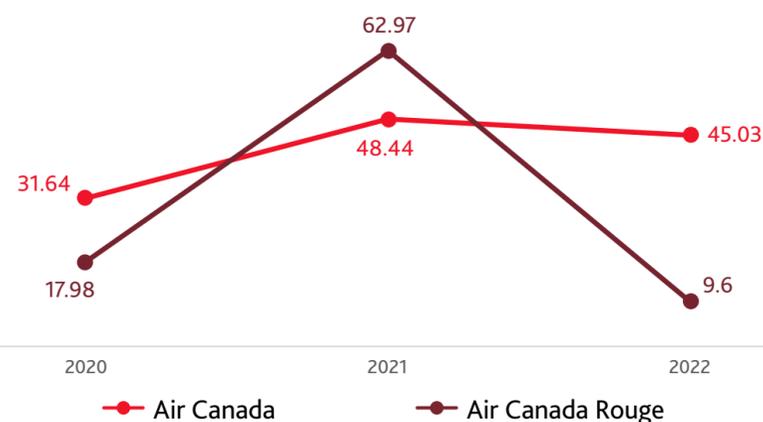
All employees are encouraged to provide input about the program and offer suggestions and ideas on how to improve safety. This creates opportunities across the organization, fostering a culture of continuous improvement. The underlying focus is safety, but the program also translates into cost savings by reducing employee absences.

A critical element of the OHS Program is the Hazard Prevention Program, which allows Health and Safety committees to identify and assess workplace hazards and to determine appropriate controls to mitigate risks. These committees cover all employee groups at Air Canada. The Corporate Safety and Emergency Management department also offers primary and critical support for a series of Health and Safety committees throughout the organization as well as external committees, and it monitors compliance with the *Canada Labour Code* and other applicable legislation. We ensure employee safety programs are documented, implemented, effective and continually improving, with branch-specific goals that drive new ideas and initiatives to meet these goals.

Six policy committees and 63 local Health and Safety committees at Air Canada work together to improve our safety program. Air Canada Rouge also has Health and Safety committees. They conduct workplace inspections, investigations when accidents occur, evaluate health and safety complaints that are escalated to their level, and they report back their progress to the respective authority including Employment and Social Development Canada or Transport Canada.

Organization-wide communication processes promote safety and support the effective function of the Occupational Health and Safety Program, including the promotion of Safety and Health Week.

Lost Time Injuries (LTI) per 10,000 flights



In 2021 Air Canada Rouge completely shut down operations for six months, from January-September, resulting in a lower number of flights, which is the injury rate's denominator.



Our most common injuries remain strains and those resulting from slips and falls.

Safety First, Always | **With care and class** | Training | Employee wellness | Compensation and benefits | Labour relations | Employee engagement | Diversity, equity and inclusion | Accessibility | Official languages | Recognition and commitment | Service for community and beyond | Food security | Humanitarian relief | Employee citizenship | Charitable donations |

Health and Safety committees continued to play a key role in addressing and mitigating hazards and concerns in 2022. We established, for instance, a new IAM Safety Co-ordinator role, tasked with collaborating with all co-workers, Health and Safety committees and all local management to reduce the likelihood of accidents and incidents as well as hazardous occurrences. As the world evolved with the COVID-19 pandemic, so did our internal policies and procedures. Our Policy committees continued to participate in various changes as our COVID-19 program evolved into what is now our Infectious Respiratory Illness Program. We maintained open communication with our expert leaders while following science-based guidance and ensuring compliance with applicable regulations. Our relationship with BlueDot has served us well, especially during the COVID-19 pandemic.

Disability management professionals are engaged in making it easier for injured workers to return to the workplace through Return-to-Work programs (for Air Canada and Air Canada Rouge). These programs help ensure employees who require medical attention to seek it immediately and are brought back to work when capable, including in a limited capacity. The teams involved in injury prevention and return help maintain the integrity of the OHS programs by monitoring key performance indicators (KPIs) and the Hazard Prevention Program for accuracy. KPIs are monitored and reviewed at branch-management meetings, where topics discussed include performance metrics, prevention and mitigation measures for current hazards and opportunities to bring forward action items to leadership. KPIs include non-compliance sanctions under applicable law, lost-time injuries, lost-time days forfeited and total Workers' Compensation Board costs.

Virtual reality back injury prevention program

Air Canada has several programs employees can use to infuse healthy lifestyle habits at the workplace and at home. One example is our Back Safety Program, comprising easily accessible safety videos, which aims to prevent injuries and keep our employees fit and functional professionally and personally. The program continues to be offered virtually to ensure continuous, timely and easily accessible training. Programs are communicated on an ongoing basis to employees through various channels and are mandatory each year for those who work in operations.

We continued to innovate to benefit the health and safety of our employees with programs like Project Maple, a pilot project launched in Toronto in July 2022, giving Airports and Air Canada Cargo employees direct access to a medical physician on a virtual platform following an injury. Our robust Risk Assessment Program helps Air Canada make and implement decisions and manage some of our inherent safety risks. The Risk Assessment Template and Risk Matrix, key supplements of the Risk Assessment Program, were updated in 2022 to reflect a broader range of risk level that is more in line with our operation and includes data and statistics from exposure and frequencies.

Air Canada was recognized by the Flight Safety Foundation for its commitment to safety and its 66-year history as a member of the Foundation.



Samuel Elfassy, who retired as Vice President of Safety on May 1, 2023, was inducted into the OHS Hall of Fame in September 2022.

In 2022, Air Canada was recognized for its Safety First, Always, culture and our innovative use of technology to promote workplace safety at the national Occupational Health and Safety Awards. Presented by OHS Canada and Talent Canada, our awards are in the categories of OHS Culture and Best of Use Safety Technology.



Policy on drugs and alcohol

The use of intoxicating substances jeopardizes job performance and creates safety hazards for employees, customers, service providers and the public. We take our responsibility to maintain a safe workplace and related operations seriously, free from the adverse effects of intoxicating substances, including drugs and alcohol, and have an effective policy on drugs and alcohol in place. This policy is a component of our comprehensive Safety Program.

Safety First, Always | With care and class | **Training** | Employee wellness | Compensation and benefits | Labour relations | Employee engagement | Diversity, equity and inclusion | Accessibility | Official languages | Recognition and commitment | Service for community and beyond | Food security | Humanitarian relief | Employee citizenship | Charitable donations |

Training

With the return of employees and onboarding of new colleagues, 2022 was a record year for training for all departments. We placed a strong focus on training new hires to meet the operational requirements, as we recovered from the effects of the COVID-19 pandemic, evolved and grew. We promote a culture of safety vigilance in our training offerings that instill a Safety First, Always, mindset. In 2022 alone, regulatory training — one of several strong, extensive initial training programs — was offered to over 11,000 newly hired employees to initiate them to Air Canada's flight path values including customer service and official language promotion.

Further, our training programs are core to supporting our employee's growth and development in their role-specific duties to better serve our customers. They also offer a positive learning and development experience for our employees to operate safely. For instance, with each new aircraft, our operating crews undergo comprehensive training on all its relevant aspects. For cabin crew this includes every aspect of normal and emergency procedures associated with the aircraft. We provide continuous learning for various skillsets and leverage technology through multiple mediums such as virtual learning, self-led learning, in person and on the job and first-hand practical experience.

working with survivors, media, repatriations, self-care, preparedness and simulations.

In 2022, we held the inaugural annual Special Assistance Team (SAT) members meeting and updated the training classes, based on post-class satisfaction surveys from the year prior. We also introduced web-hosted classes for our members living in smaller communities. From January 2022 to May 2023, 433 employees received over 3,000 hours of SAT training.

Initial and ongoing training

Frontline employees undergo weeks of intensive training that includes regulatory content and scheduled guest speakers, such as executives and union representatives. Some groups are also paired up with an experienced peer or "on-the-job training" coach.

Our SAT training includes self- and instructor-led components that cover information such as, but not limited to, emergency response process, roles and responsibilities, communication skills,



Air Canada offered its voluntary Special Assistance Team (SAT) training in 2022. Formed in 1996, SAT is a group of 1,175 employees and retirees from across our global system who are trained to respond in crisis situations. Should an accident occur or in the event of a natural disaster, they would be deployed to affected locations, where they would work with families to provide them with the dignified care and immediate assistance they deserve.



2022 marked the launch of a competency-based initial learning program to equip new airport customer experience specialists in Canada with essential skills to deliver service excellence at six key customer touchpoints. The training program was recognized by the 2022 Brandon Hall Group Excellence Awards, in the category of Best Unique or Innovative Learning and Development Program. The focus on customer experience at airports was further strengthened with the launch of pilot programs for new employees in the U.S. and a recurrent training program for Customer Experience Specialists in the fall. Total training hours for customer service in 2022 amounted to a staggering 2,088,066 hours, exemplifying the can-do attitude and dedication of the team.



Air Canada's Emergency Management department facilitated a full-scale, four-hour interactive exercise at headquarters in Montréal on July 28. Participants responded to real-time messages provided by simulators or active participants. This realistic exercise enabled the audience to practise their roles and responsibilities to a simulated facility-related crisis and helped Emergency Management test our emergency response protocol, validate planning assumptions and assess overall preparedness.

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Employee wellness



Unlock the Best in You

Unlock the Best in You (UBY) is Air Canada's unique well-being program that offers personalized programs to employees and equips them with various resources, tools and expert advice on health and wellness; mental health awareness; financial well-being; and attendance support. Employees have access to the program's newly designed wellness platform.

A wealth of resources also empowers our employees and help minimize barriers to health- and wellness-

Close to 13,000 unique visitors accessed the portal in 2022.

related knowledge and activities. A virtual Health and Wellness Library is available and includes resources such as articles on fitness, food and nutrition, and general physical well-being. Employees may also access custom-developed training sessions that are designed to help them achieve fitness goals.



UBY app

The UBY app, available for employees to download (iOS and Android devices), gives users access to the new well-being portal, which contains resources in four key areas: work health, mental health, financial well-being, and health and wellness.

UBY internal social media community

UBY's Viva Engage community had close to 750,000 views, an increase of almost 450 per cent compared to 2021. Employees were actively engaged by posting daily photos and videos and by sharing their wellness progress with other members.

UBY ambassadors

The UBY Ambassador Program, launched in May, aims to strengthen our well-being community and support a culture of health and wellness. The UBY ambassadors are instrumental in actively participating in the promotion of well-being resources and initiatives.

Some market statistics that inform and support Air Canada's wellness program:

- 34 per cent of Canadians indicate that health and well-being benefits and services are the most important factors when choosing an employer. This compares to 28 per cent citing flexibility and 18 per cent citing type of work as the most important factors⁵.
- A survey from 2021 found that 79 per cent of employees in the U.S. believed their company's well-being programs helped them be as productive as possible, and 79 per cent also believed such programs helped them avoid getting sick⁶.
- 70 per cent of global employers see ROI on employee well-being programs⁷.
 - When asked why they offer a well-being program, 28 per cent of respondents cited employee engagement as the number one reason, while 21 per cent cited the positive impact on workplace culture.
- Deloitte Canada data reveals that companies with mental health programs in place for one year had a median annual ROI of \$1.62 for every dollar invested. For companies with programs in place for three or more years, the median annual ROI is more than double valued at \$2.18 for every dollar spent⁸.
- According to Mercer's "2017 National Survey of Employer-Sponsored Health Plan," employers that create cultures of health see 11 per cent lower turnover than employers who did little to prioritize employee well-being⁹.

⁵ <https://lifelworks.com/en/news/over-one-third-canadians-prioritize-health-and-well-being-benefits-when-choosing-employer#:~:text=Thirty%2Dfour%20per%20cent%20of,as%20the%20most%20important%20factor>

⁶ <https://www.statista.com/statistics/1058121/us-employees-opinions-towards-employee-wellbeing-programs/>

⁷ <https://www.benefitscanada.com/benefits/health-wellness/70-of-global-employers-seeing-roi-on-employee-well-being-strategies-survey/>

⁸ <https://www2.deloitte.com/ca/en/pages/press-releases/articles/significant-roi-for-workplace-mental-health-programs.html>

⁹ <https://www.mercer.com/en-us/insights/us-health-news/the-surprisingly-strong-connection-between-well-being-and-turnover/>

Safety First, Always | With care and class | Training | **Employee wellness** | Compensation and benefits | Labour relations | Employee engagement | Diversity, equity and inclusion | Accessibility | Official languages | Recognition and commitment | Service for community and beyond | Food security | Humanitarian relief | Employee citizenship | Charitable donations |

Air Canada not only supported the overall well-being of all our employees through UBY, but additional wellness initiatives were also introduced with the launch of a new platform and telemedicine for most employees.



Air Canada wins silver at Canada Awards for Excellence for Mental Health

In 2022, Air Canada was the first-ever airline to receive the Canada Awards for Excellence for Mental Health award at the Silver level. The assessment focused on our communications, reports, surveys, mental health training, policies, strategies, KPIs and long-term goals. We were evaluated based on the following key criteria:

- Leadership
- Planning, program and communication
- People engagement
- Process management and risk assessment

The work we carry out to support our employees and their mental health intensifies each year. Our Canada Awards for Excellence for Mental Health award (Silver) is on the heels of our 2019 Mental Health at Work certification, where we earned a Bronze level recognition.



2022 Workplace Benefits Awards finalist

Air Canada was named a finalist in the 2022 Workplace Benefits Awards, in the categories of Financial Wellness Program and Mental Health for companies with more than 1,000 employees. According to Benefits Canada, the awards program received 115 entries across 11 categories, each highlighting how Canada is supporting its employees' physical, mental and financial well-being.

Employee and Family Assistance Program

Employees can use the Employee and Family Assistance Program (or similar programs), a confidential and voluntary support service, to get immediate help for any work, health or life concern. These resources were leveraged and regularly communicated to employees throughout the COVID-19 pandemic so that employees could receive the support they needed. We also provided training to managers to raise awareness and sensitize them around the importance of mental health in the workplace so they could better support their teams. The training has two components: LifeWorks Mental Health in the Workplace is a one-hour online module with audio and visual support; and LifeSpeak is a video-based training that is designed to develop managers' mental health conversation skills. In 2022, the Lifeworks Mental Health in the Workplace training became mandatory for all managers.

Mental Health First Aid

Air Canada also offered Mental Health Commission of Canada's Mental Health First Aid certification. This 12-hour-long, discussion-based and in-person training was delivered by a Commission-certified instructor. Trainees are assessed on whether they have acquired the necessary skills and competence to become a point of contact to help resolve crises and de-escalate tense situations.

Virtual counselling

In 2020, we introduced a new support tool to complement our pool of resources called "AbilitiCBT." AbilitiCBT by LifeWorks is a flexible digital cognitive behavioural therapy program, guided by professional therapists including psychologists, social workers and counsellors. Cognitive behavioural therapy is an effective form of therapy that can help individuals build skills to deal with anxiety and depression symptoms, as well as insomnia and pain management. The program is accessible to Air Canada employees and their families.

91 per cent of users report that AbilitiCBT helped reduce their mental health symptoms.

Telemedicine

Air Canada offers access to telemedicine services to most employee groups. Users get direct, confidential medical care from Canadian-licensed doctors and nurse practitioners by text, audio or video chat, 24 hours a day, seven days a week, 365 days a year.



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Compensation and benefits

Employees have comprehensive group benefit coverage for health and dental care costs, income security in the case of disability and life insurance benefits in the event of injury or death.

We share our success with employees through a profit-sharing program and/or an annual incentive plan, both of which pay out when certain corporate, branch and individual targets are met. As a result of the impact of the COVID-19 pandemic, the profit-sharing program did not produce any awards in 2021 and 2022.

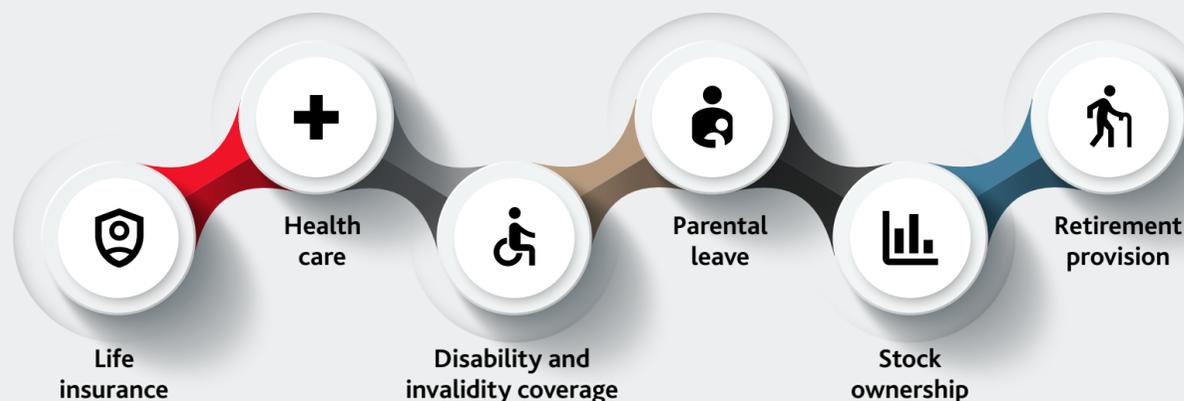
Our Employee Share Purchase Plan permits eligible Air Canada employees to invest a percentage of their salary toward the purchase of Air Canada shares.

We have flexible policies in place that provide different options to accommodate employees' circumstances. The Reduced Work Week Program, for example, offers an alternate work arrangement to help employees prepare and transition to retirement. The Parental Sharing Policy promotes more equal parenting roles through measures that encourage parents to share parental benefits. Under the Personal Leaves Policy, employees can apply for leave for personal reasons (including education), family responsibility, victims of family violence and traditional Indigenous practices.

Defined benefit plan obligations and other retirement plans

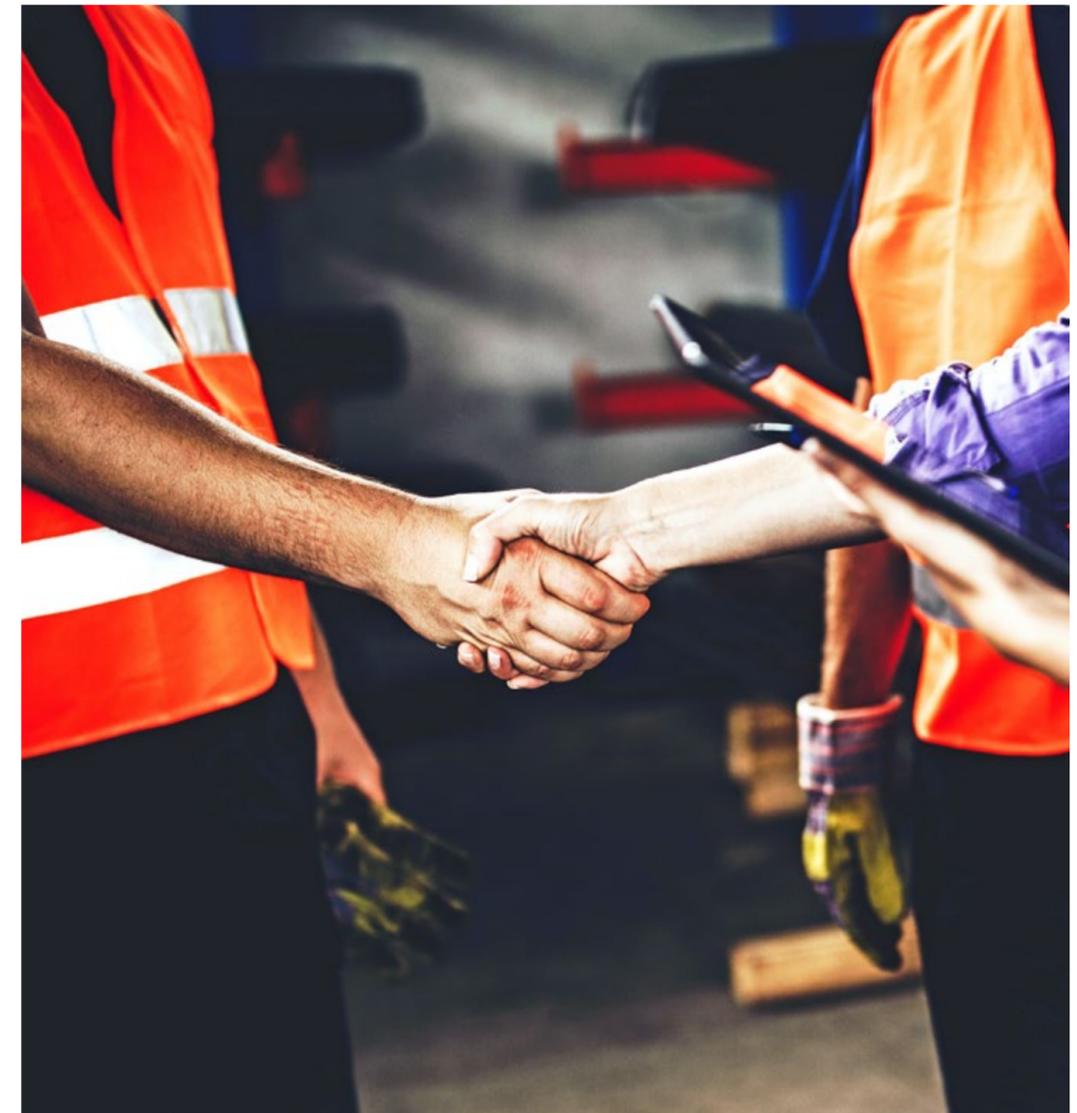
Most permanent employees at Air Canada are enrolled in a corporate-sponsored pension plan, where participation is mandatory. Though some employees belong to a defined contribution plan, most belong to defined benefit or hybrid plan, which is unique in the sector and increasingly rare in Canadian workplaces. Some employees are enrolled in a multi-employer pension plan to which Air Canada makes contributions. As of January 1, 2023, about 35,000 employees participated in one of those pension plans and around 33,000 retirees and surviving spouses were receiving a pension from a defined benefit plan. During 2022, Air Canada contributed \$131 million to its employee pension plans, including hybrid and defined contribution corporate-sponsored and multi-employer plans.

BENEFITS FOR MOST FULL-TIME EMPLOYEES INCLUDE



Labour relations

Air Canada's relationships with our union groups is of fundamental importance. The Labour Relations branch has responsibility for the ongoing management of relations between the Corporation and our unionized workforce. The Vice President of Labour Relations is responsible for negotiating, implementing and overseeing collective agreements. Additional information relating to Air Canada's collective agreements with our main unionized employee groups may be found in Air Canada's 2022 Annual Information Form, available at www.aircanada.com and on Air Canada's SEDAR profile at www.sedar.com.



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Employee engagement

As part of our approach to fostering a positive culture and an engaged and productive workforce, we have developed extensive employee support systems. Leadership development and guidance emanate from the group led by the Executive Vice President, Chief Human Resources Officer and Public Affairs.

In 2022, we launched an employee engagement survey to more than 33,000 employees with a 41 per cent overall response rate — our highest ever. The main findings indicated that these employees were proud to work for Air Canada, felt that they belonged, intended to stay for the next two years and felt like people from all backgrounds could succeed at our organization. They noted they wanted more feedback regarding career opportunities, the direction the Corporation was taking emerging from the pandemic and how to better share knowledge, especially since we hired many new employees in 2022. We also held focus groups to gather more qualitative feedback from employees so that we could combine it with our quantitative results to better inform our action plan that was developed post-pandemic to elevate the employee and customer experiences.



Safety First, Always | With care and class | Training | Employee wellness | Compensation and benefits | Labour relations | **Employee engagement** | Diversity, equity and inclusion | Accessibility | Official languages | Recognition and commitment | Service for community and beyond | Food security | Humanitarian relief | Employee citizenship | Charitable donations |

Talent recruitment, training and development

Most of the talent recruitment, training and development activities in 2022, led by the Global HR team, were centred around rebuilding our airline as our operations ramped up to meet the demand for travel. We hired over 12,000 employees globally and all our new senior management hires were in Canada. We continue to prioritize our employee retention strategy and talent acquisition efforts to keep supporting Air Canada's growth while rising higher, reaching new frontiers and aiming for future success. Air Canada focuses on building a sustainable workforce and, as such, contributes to the country's socio-economic development and the global travel and tourism sector. We invest in development programs as well as informal coaching and mentoring, and we look for new ways to engage our workforce that can support community and cause. Air Canada is proud to offer diverse and unique initiatives that make it an exceptional place to start a career. In 2022, 45 per cent of new hires were under 30, and 15.3 per cent of our full-time employees in Canada were under 30 years of age.

Arrivals Connection

We understand that a sense of belonging is important to all employees, and this begins with our onboarding process. Arrivals Connection, an event for new management and A&TS employees, resumed in late 2022 after being paused due to COVID-19. Overall, 254 employees attended the 2022 edition. Arrivals Connection is a great opportunity for new employees to gain a deeper understanding of our business, meet and greet some of our senior leaders and network with peers while developing awareness of the interdependencies between the different teams at Air Canada.

Leading with Impact Program

The Air Canada Leading with Impact Program for people managers entered its third year in 2022. It was conceived to help develop leaders and people managers and, ultimately, nurture our talent pool in support of succession planning. This self-led digital learning platform offers users over 170 online modules that are accessible anytime, and our instructor-led learning courses and workshops, in 2022, covered: "Bringing Emotional Intelligence into the Conversation (BREIC)";

"Communication for Understanding"; "Handling Situations with Emotional Intelligence"; "Managing Time and Energy"; and "Managing the AC Way."

Aeroplan's ambassadors

Our employees are the best ambassadors for Aeroplan, which has been instrumental to Air Canada's success in becoming one of the top airlines in the world. We expect that employees will make the most of their membership and experience first hand why Aeroplan is so popular. Employees can accumulate points to travel to over 1,400 destinations worldwide, acquire top merchandise or gift cards, or carry out activities with Aeroplan's large lineup of partners such as Uber, Starbucks and Amazon.

Professional development

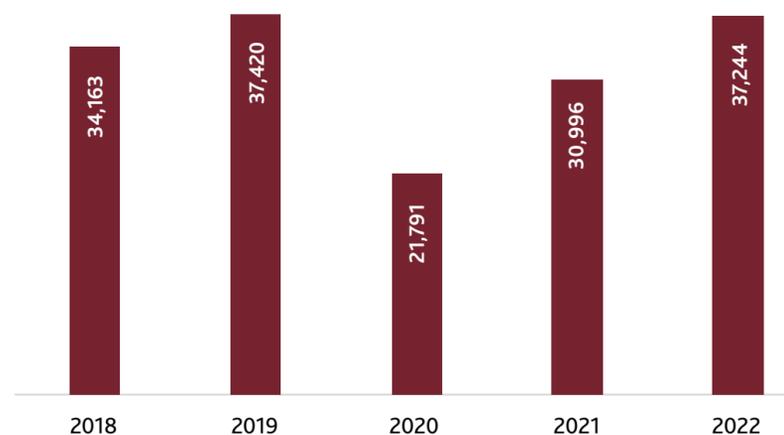
We added new programs and enhanced others as we increased our employee value proposition in a continued effort to attract, retain and engage employees, such as the Refer-a-Friend Incentivization Program. Supporting their personal and professional development is key. We believe that by appreciating our different talents and life experiences, we will contribute to more creative, innovative and productive teams, reinforcing our vision to "Win as One."

Our organization encourages continuous learning and professional development. We offer financial reimbursement, up to a certain amount, for education-related expenses to permanent employees who complete pre-approved career-related programs or developmental courses at recognized educational institutions. Other reimbursements include professional association memberships, in-house apprenticeships and skilled trades training programs.

We continuously contribute and establish scholarship programs such as Inspire for Indigenous students who are enrolled in post-secondary aviation/aerospace engineering programs; the Captain Judy Cameron Scholarships, empowering the next generation of young women to enter the aviation industry; and a new Leadership Bursary for People of Colour, which provides marginalized youth with education resources and options to integrate into mainstream society. Our most recent engagement survey reported a significant increase in managers who expressed they have the tools to do their job well.



NUMBER OF EMPLOYEES AT YEAR END*



* The headcount comprises full-time, part-time and temporary employees. Please refer to Air Canada's 2022 Annual Report for the full-year, full-time equivalent (FTE) data.

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Internships

Air Canada's Work Integrated Learning Program is an internationally recognized and co-ordinated initiative for post-secondary students that aims to increase the talent pipeline, create a diverse team and transmit our values and culture to inspire and support tomorrow's leaders. Students gain short-term supervised work experience by applying academic knowledge in a work environment to achieve branch-related objectives.

On average, our internship opportunities last around four months (with the possibility of up to 18 months in certain programs) and are based on a full-time basis of 40 work hours per week.

Air Canada's Internship Program gives high-level opportunities to around 100 young professionals each year so they can gain valuable experience and develop skills in different areas of the aviation industry. In 2022, Air Canada collaborated with higher education institutions, government and government trustees to ensure 61 students (average age 23) gained the necessary industry experience to graduate and increase their job opportunities after graduation. Twenty-six per cent of the students self-identified as women, and many of this cohort identified as visible minorities.

The Air Canada Maintenance branch also partners with Colleges across Canada to give selected students the opportunity to participate in the Workplace Integrated Learning (WIL) Program for Aircraft Maintenance.

Mentoring and engagement

We devised a formal mentoring program in 2022 to ensure our more experienced workforce could transfer their knowledge to our developing leaders. More than 300 employees expressed their keen interest in being mentored and were matched up with 85 mentors in 2023. Our mentoring and co-op/internship programs enable us to prioritize our initiatives and training with a focus on increasing underrepresented groups within Air Canada.

Air Canada offers a "Buddy system" for professionals in their integration and discovery of the industry. They get personalized support to facilitate their transition and help them thrive in their career. The system reinforces Air Canada's welcoming and learning culture, promoting professional development and success for new employees.

Every quarter, town halls are held for all employees, led by the executives. Employees also have access to various events (including conferences and guest speakers) that are organized by our different departments.

We are fortunate to have a dynamic internal social network to create communities and employee resource groups for engagement and sharing. With regard to internships, students have dedicated virtual chat groups to organize their community and cohorts are formed throughout the year to organize professional networking events or to discover available career paths. We have also organized events for young women in aviation in collaboration with the Canadian aerospace ecosystem.

Programs for experienced employees

Air Canada has programs specifically designed to assist employees/employees approaching retirement, including:

- Buy-Time to Retirement (BTR) Program that allows eligible employees who are planning to retire within the next three years to set aside a portion, or the total of, their Annual Incentive Plan (AIP) and/or Profit-Sharing Plan (PSP) awards to buy time off to transition to retirement.
- Reduced Work Week (RWW) Program that offers eligible employees who are planning to retire within the next 12-months an alternate work arrangement that consists of reduced working hours. The purpose of this program is to provide employees

with a gradual transition into retirement, while maintaining their eligibility to most Total Rewards programs.

In 2022, we actively recruited retired pilots for roles including interviewers, simulator and ground school instructors. The goal was to bring back experienced veterans with a wealth of knowledge, aircraft-type rating certifications and experience on certain aircraft types.

We also recalled 204 retired employees for full-time and part-time temporary and permanent assignments in our operation, in roles including Station Attendant, Lead Station Attendant, Customer Service Agent, Customer Experience Manager and Airport Trainer in Toronto, Montréal and Vancouver.



Diversity, equity and inclusion

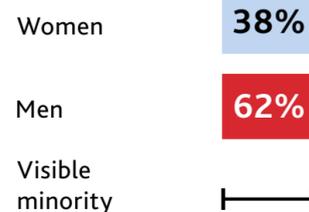
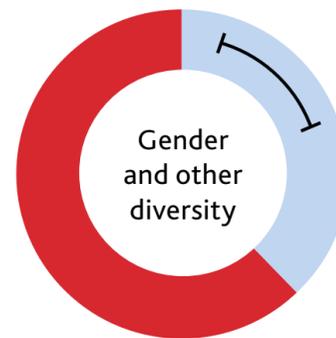
Board diversity

The Board of Directors is committed to maintaining high standards of corporate governance in all aspects of Air Canada's business and affairs while recognizing the benefits of promoting diversity, equity and inclusion (DEI), both in the boardroom and within our workforce in Canada and around the world.

Diverse perspectives maximize the effectiveness of the Board and decision-making in the best interests of the Corporation. This commitment to diversity was confirmed in a written diversity policy, first adopted by the Board in February 2015 and more recently amended in February 2022.

Air Canada is Parity Certified with Women in Governance, is a member of the 30% Club and a signatory to the Catalyst Accord 2022, whose objective is to increase the average percentage of women on boards and in executive positions in corporate Canada to 30 per cent or greater by 2022. As of the end of 2022, the representation of women within the Board and at executive levels was 33 per cent and 27 per cent, respectively. In 2022, our target for representation of women on the Board was raised to 40 per cent by 2025. At the annual general meeting in May 2023, a new member was added to the Board, with women now representing 38 per cent of its members.

We are also a signatory to the IATA 25by25, which aims to advance gender balance by 2025, and a signatory to the BlackNorth Initiative CEO Pledge, which recognizes the need to create opportunities and foster inclusiveness for Black people and leaders in Canada. As part of the Pledge, Air Canada committed to a goal to have at least 3.5 per cent of board and executive roles being held by Black leaders by 2025. The Board also takes other dimensions of diversity into account in the process of selecting individual candidates. Through its ongoing renewal, it is the Board's aspiration that its composition will reflect the changing population demographics of Canada, as well as the diversity of Air Canada's customers and employees. Presently, of our 13 members of the Air Canada Board of Directors, five (38 per cent) are women and two (15.4 per cent) are members of a visible minority, with one self-identifying as Black (7.7 per cent). None of our current directors have self-identified as Indigenous or a person with a disability.



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Management approach to DEI

Diverse talent continues to grow our employee base, and we foster partnerships with organizations and take part in local, regional and national activities that fuel diversity, equity and inclusion.

Air Canada has developed a holistic framework for its DEI initiatives called CARE, which targets four focus areas:

1. **Community outreach:** We are creating strong partnerships with underrepresented communities to support education and diverse talent, such as a bursary for people of colour via the Pinball Clemons Foundation;
2. **Accountability:** We are ensuring accountability through data-driven metrics that we share with internal and external stakeholders;
3. **Representation:** We are consistently striving toward representation of underrepresented groups through all levels of our organization; and
4. **Engagement and belonging:** We are ensuring company-wide and targeted sensitization campaigns within our business as well as showcasing and celebrating Canadian diversity with our customers.

Significant efforts went into DEI initiatives in 2022, including the rollout of DEI educational training across the organization and a commitment to creating a DEI Executive Council and DEI Steering Committee.

- At the end of 2022, 38.9 per cent of senior positions were held by women and 33 per cent of Board members were women.

DEI training and development

In 2022, Air Canada offered mandatory DEI trainings: “DEI Fundamentals and Unconscious Bias” and “Unraveling Allyship.” This was delivered to all people managers and employees in middle management positions and above. Each session was facilitated by Tanya De Mello, human rights lawyer and DEI expert with a background in operational management. Air Canada’s Board of Directors and executive officers also received a one-hour DEI training that focused on the importance of leadership, setting the tone for creating an inclusive environment and ensuring that leaders are intentional in their approach to inclusivity.

As part of their commitment to diversity, equity and inclusion, senior leaders of the HR team and the Corporation’s executive team completed the Intercultural Development Inventory (IDI) assessment and participated in group discussions with a global diversity and inclusion consulting firm. The IDI is a tool that assesses the individual’s core mindset (orientation) regarding diversity and cultural difference and helps leadership teams understand their own openness and approach to DEI.

Employee Resource Groups

- To ensure our data-driven initiatives and policies resonate with our employees, we formalized Employee Resource Groups (ERGs). The DEI team meets with each ERG on a quarterly basis and shares high-level data points that can then help inform the ERG’s priorities and our initiatives and policies. The ERGs provide a conduit for employee feedback for various identity groups as well as an opportunity for employees to form communities that bolster everyone’s sense of belonging within the company. As of early 2023, there are five ERGs at Air Canada: Asians in Aviation, Black Employee Resource Group, Indigenous Employee Resource Group, Women in Aviation and Diverse Abilities.

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Highlights

In 2022, Air Canada marked **Black History Month** by featuring the achievements and contributions of its Black employees to aviation, including an inaugural, Black History celebratory flight. A return flight from Toronto to Fort Lauderdale, operated with a wide-body Airbus A330-300 aircraft, was flown with a Black crew of two pilots and eight flight attendants.

Empowering women

For the first time since 2019, Air Canada resumed the **Young Women in Aviation Day** in 2022. This event, hosted by Air Canada Maintenance, gave students over the age of 15 a window into learning more about multidisciplinary careers in aviation. The goal was to give these students insights into what makes a career in aviation so exciting and to showcase career paths where women are currently underrepresented.

Air Canada was the presenting sponsor at the 2022 **Canadian Women in Aviation** conference, held in Edmonton on June 22-25. Its theme was "Superheroes in Aviation." More than 150 women from the military and civil aviation sectors came together, representing a growing community of women who are passionate about aviation, who celebrate people's differences and who want to expand their horizons.

On **International Women's Day**, Air Canada announced the 2022 recipients of the Captain Judy Cameron Scholarship as we continue fostering the next generation of women in non-traditional aviation careers. Awarded in partnership with the Northern Lights Aero Foundation, four students received \$5,000 toward their studies in aviation.

Air Canada welcomed students at a **Women in Data Hackathon** event where six teams composed of Air Canada employees and university students tackled problem-solving activities related to Cargo, ECX or Maintenance, leveraging augmented reality or virtual reality technologies. This was to highlight and encourage women in fields where they are traditionally underrepresented.

Air Canada signed on as a founding partner for **Project 8**, whose vision is to create a women's professional soccer league in Canada and is rooted in the principles of inclusion, community and identity.



In turn, it aims to establish Canada as a global leader in sport and gender equality. The number in its name represents the number of teams that will exist at the league's launch, projected for 2025.

In May 2022, in collaboration with Air Canada's employee-led **Asian Heritage Month (AHM)** planning committee (formalized as of 2023 and now officially known as the Asians in Aviation ERG), Air Canada organized several events to honour Asian cultures and highlight the contribution of Asian employees in the organization. The profiles and lived experiences of several Air Canada employees were shared via internal channels and social media. In addition, Air Canada hosted a roundtable discussion on anti-Asian hate and bystander intervention, featuring panelists Anne-Marie Pham, Executive Director at the Canadian Centre for Diversity and Inclusion, and Gilmore Junio, three-time Olympian speedskater. Participants obtained tools and strategies to learn how to best respond if they encounter forms of discrimination and/or harassment.



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Honouring Indigenous Peoples

June is **National Indigenous History Month** in Canada, a month in which we recognize the rich history, heritage, resilience and diversity of First Nations, Inuit and Métis peoples. National Indigenous Peoples Day takes place on June 21 to coincide with the summer solstice, on or around which many Indigenous communities have historically celebrated their culture and heritage, given its significance as the longest day of daylight in the northern hemisphere.

Air Canada's dynamic **group of Indigenous employees** shared some of their cultures and stories during events and on internal communication networks. An updated onboard safety video now points customers to an "Ode to Indigenous Peoples of Canada" video, found in the "About Us" section. This video acknowledges the Indigenous Peoples' ancestral and traditional lands that correspond to the regions that are depicted in our safety video. We also developed, and continue to develop, a series of e-learning modules with and featuring some of our Indigenous colleagues to help employees learn more about Indigenous Peoples in Canada.

Air Canada was proud to support "**A Feast in the Forest**" on June 15, an **Indspire event** that aims to promote Indigenous education and students. The \$1 million raised was earmarked for Indspire's programs that educate, connect and invest in Indigenous Peoples so they can reach their highest potential. Air Canada provided airfare for various artists to attend and perform at the event, including Buffy Sainte-Marie, and donated airfare for Indspire's live auction packages. The 2022 Indspire Awards were held on June 19, and aired by the CBC and APTN, an event Air Canada also supported.



Air Canada acknowledges the **National Day of Truth and Reconciliation**, a federal statutory holiday to recognize and commemorate the intergenerational trauma that residential schools have caused to Indigenous families and communities. We are committed to taking concrete steps toward reconciliation, which includes education and amplifying Indigenous voices.

In recognition of **National Day for Truth and Reconciliation**, Jennifer Mervyn, a registered psychologist and LifeSpeak expert, shared insight into the importance of active listening, honouring the land and how to be a better ally to Indigenous communities.

A video was released featuring three members of our **Indigenous Employee Resource Group**. The video follows them as they visit Spotted Lake, a sacred site west of Osoyoos in the eastern Similkameen Valley, B.C., and share some of their thoughts on what truth and reconciliation means.

The **Indigenous Awareness eLearning series** was launched, providing crucial context for employees to understand the historical and cultural significance of land acknowledgements. The second in the series, "Developing Meaningful Land Acknowledgements," is aimed at guiding employees through the process of developing their own land acknowledgements.

We unveiled an **Indigenous commitment plaque** at our headquarters in Montréal, as part of Air Canada's commitment to truth and reconciliation. The plaque includes artwork from Star 'Otsisto' Horn, a local Indigenous artist from the Kahnawà:ke nation, signifying that the combination of wisdom and ideas can create strong communities with the ability to fly together and be protected by that strength.



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Celebrating authenticity and allyship

Air Canada fosters a workplace environment where all employees with diverse sexual orientations and gender identities can feel comfortable bringing their authentic selves to work. In 2022, on **International Day Against Homophobia, Biphobia and Transphobia**, new inclusive email signature brand standards were introduced, coupled with a series of voluntary workshops that covered these learning outcomes: define the LGBTQ2+ acronym; recognize various LGBTQ2+ flags; transgender awareness; LGBTQ2+ gender pronouns; and inclusive language to incorporate into everyday practice. We also introduced two modules in our "LGBTQ2+ Awareness" eLearning series for employees to learn more about the different communities within our larger Air Canada family.

In 2022, to celebrate Pride season and show our commitment to the LGBTQ2+ community, Air Canada raised the **Progress Pride flag** at its Montréal headquarters and at its other offices in Toronto, Winnipeg and Vancouver. Concerning Pride events, Air Canada organized and supported employee attendance at the Pride parades in Winnipeg, Calgary, Toronto, Halifax, Vancouver and Ottawa. These were the first Pride parades after the pandemic. Air Canada's presence at the parades showcased one way we encourage an inclusive and supportive environment for the LGBTQ2+ community. Air Canada also adopted gender-inclusive onboard announcements, ensuring that binary language was removed from the announcements made by flight attendants. We also adjusted our uniform standards so that employees can mix and match female- and male-cut uniform pieces.

As an organization that proudly flies the flag every day, Air Canada was honoured to support our Canadian athletes as the official airline of the **2022 Beijing Olympic and Paralympic Games**. These athletes fly the flag for Canada and embrace our values of diversity, inclusivity, openness and kindness.



Promoting inclusive workplace and approach

A **multicultural calendar** was curated and launched for employees, helping raise awareness of major holidays or cultural events that are observed and celebrated by customers and colleagues. This calendar includes religious holidays from all the major religions, as well as important cultural dates worldwide. It is an essential tool in promoting an inclusive workplace as well as an inclusive approach with customers.

We adopted a **flexible statutory holiday policy** that permits employees who observe holidays or events that are not captured in the existing statutory holiday policies (Canada and U.S.) to substitute two annual statutory holidays, giving them the opportunity to celebrate their respective religious or cultural holidays, when possible.

There are an estimated 60 languages spoken and counting by Air Canada employees and 34 per cent of Canada-based employees **identified as visible minorities** in the 2022 self-identification questionnaire. This is based on an 89 per cent response rate to that portion of the self-ID questionnaire.

Sponsoring Canada's future

We launched a collaboration with the **Young Diplomats of Canada (YDC)** in 2022 to be a sponsor and its official airline partner, flying young delegations to New York, Geneva, Japan and India to participate in leadership spaces as Canadian representatives in 2023.

Air Canada sponsored **GlobalFest**, a **Calgary-based annual cultural celebration**. A citizenship ceremony took place during the event, where our brand ambassadors escorted the new citizens to the Air Canada stage. The ceremony has been an important part of GlobalFest since 2010. As GlobalFest's official airline, we continue our commitment to support communities across Canada.

As part of our goal to rise higher and adhere to our commitments under the **Accessible Canada Act**, Air Canada developed a new accessibility plan, which addresses accessibility for passengers and employees. The plan, which was formally launched in June 2023, was informed by internal focus groups, a comprehensive survey of Air Canada employees and a rigorous review of subjects that are related to customer accessibility.



Accessibility

Air Canada is committed to being a leader in accessible travel and employment while continuing to execute on its business and financial plans. We believe in designing our product and service offerings and employment experience with accessibility in mind.

As a partner to persons with disabilities, we have the following commitments:



Consult persons with disabilities and accessibility organizations to create an enjoyable travel experience for persons with disabilities, whether in services or infrastructure, and provide a fulfilling employment experience in the workplace.



Develop and enhance accessibility features, policies and processes that broaden travel and employment opportunities for persons with disabilities.



Train our employees and give them tools to encourage co-operation, lift barriers and implement accommodation for our customers and our employees.



Promote a culture of respect and dignity in all our employees' interactions with one another and with our customers and increase representation of persons with disabilities within our workforce.



Collaborate with Canadian and international organizations and airport authorities to ensure the needs of persons with disabilities are considered in the workplace and throughout their travel experience.



These commitments reinforce our dedication to diversity, equity and inclusion in safe, accessible air travel for all customers as well as accessible employment for all Air Canada employees.

To bolster accessibility within Air Canada, we launched a Duty to Accommodate training that is mandatory for all people managers. This will help ensure there is a common understanding of accessibility and an established process for workplace accommodations. We continue to partner with several external organizations to further improve our ability to create an inclusive workplace:

- The "Ready, Willing and Able" initiative helps us match the unique qualifications of candidates with intellectual disabilities or Autism spectrum disorder to specific roles.
- Through the Canadian Council on Rehabilitation and Work, we participate at career events for candidates with disabilities across Canada.
- SenseAbility helps us build and implement accessible and inclusive practices via awareness events, training sessions and their tools.
- In late 2022, Air Canada employees formed the Diverse Abilities ERG. This ERG consists of employees with diverse abilities and allies.

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Official languages

Air Canada is the country's largest private sector company that offers bilingual services across Canada and is proud to do so in both official languages (English and French), demonstrating true leadership among major Canadian companies in promoting bilingualism. We are the only airline in Canada with official languages obligations under the *Official Languages Act*. We have honoured those obligations with steadfast commitment for more than 50 years, in a highly complex industry and on a scale and geographic breadth that is unmatched among other major Canadian and foreign companies. Over time, we have developed unique expertise and have been leaders in implementing sustained initiatives to deliver services in both official languages in multiple locations and route combinations and in promoting the use of both official languages in the workplace. Our services are offered in various settings, but most concretely aboard our aircraft, carrying, on average, more than 100,000 customers on about 1,000 flights, every day.



Hello
—
Bonjour

Our obligations under Canada's official languages legislation are institutional, not personal to individuals. As an organization, we are accountable to them. To serve our customers and meet our obligations, many of our employees speak both official languages fluently, and we have policies, programs, procedures and tools to help our employees deliver service in both official languages and to learn and improve their language skills. We operate throughout Canada and in 51 countries and serve our customers in more than 20 route languages across our network, thanks to the diverse linguistic abilities of our workforce. Both official languages of Canada are freely used at our head office in Montréal and in our operations in Quebec, as well as in many other parts of our operations elsewhere and on hundreds of routes in serving our customers. We use Canada's official languages in our communications and are committed to using and promoting both official languages across the country. We care about the communities in which we live and work, as citizens of the world, including Quebec where our head office is located. We will continue to work with all our stakeholders to see how we can meet their expectations, while honouring individual rights and our legal obligations.

Employees' diverse linguistic abilities enables us to serve our customers in more than 20 route languages across Canada and in 51 countries.

Over the years, we have implemented a series of sustained initiatives in our Linguistic Action Plan to maintain delivery of the services to customers in both official languages and to promote a bilingual workplace. Air Canada's Official Languages Branch, established in 2022, is responsible for overseeing the implementation of our Linguistic Action Plan and reporting progress to executive management on a quarterly basis. This dedicated team is deploying official languages initiatives across the Corporation more effectively as well.

A newly created centre of excellence, known as Linguistic Solutions, is now well established with clear processes relating to quality, consistency and timelines for linguistic services.

Official languages training

Air Canada continues to invest in increasing its language classes and enhancing its course offerings, such as intensive courses, to enable employees to continually improve and maintain their language skills. In 2022, language training was reintroduced to assist public contact employees who are in positions that require a knowledge of French and English and to help them acquire and maintain second-language skills, as necessary. By offering our employees language training, not only can we enhance our customers' experiences, but we can help our employees build their skills and rise higher. Between January 2022 and May 2023, Air Canada public contact employees (e.g., Airport, Contact Centres, In-Flight Services) and close to 540 management employees received over 10,000 hours of language training. We are very proud of our different initiatives that aim to meet the linguistic needs of our colleagues. Our team of language expert instructors are working very diligently to give a high level of instruction to ensure public contact employees reach and maintain their language qualification to serve Air Canada customers in the official language of their choice.

As part of the initiatives announced to honour our commitment to official languages, we launched a special training program with multiple modules. This program was developed in consultation with employees. There is one, 45-minute core course, "Honouring Canada's Official Languages," which is a prerequisite for all other modules. From there, employees in Airports, Air Canada Cargo, In-Flight Service and Customer Contact Centres complete a 15-minute module that is designed specifically for their respective roles. All management employees, for their part, need to complete a course entitled "Honouring Canada's Official Languages as Management."

Air Canada is proud to be one of few airline companies in the world that serves customers in English and French on the scale we do, within and outside our borders.

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Recognition and commitment

Air Canada is elevating official languages in its internal employee excellence recognition programs. We implemented a special incentive to employees who recommend bilingual candidates that are subsequently hired.

Dialogue Award

Dialogue Award recipients are nominated by colleagues, and the award is part of the Excellence Awards, Air Canada's highest employee recognition. This award is bestowed on an employee who demonstrates exceptional efforts to promote bilingualism in their day-to-day activities and to consistently deliver on our commitments to official languages while fostering a collaborative and inclusive workplace that is conducive to the use of both languages.

Support for linguistic minority communities

Among our key achievements over recent years, Air Canada has continued to grow its support for French-speaking organizations to promote the Francophonie in a sustainable manner and to develop the Francophone culture and tourism industry. Our dedication to ensuring our presence in minority communities has contributed to the cultural and socio-economic development of French-language communities in Canada and has earned us recognition across the country.

Every March 20, **International Francophonie Day** (*Journée internationale de la Francophonie*), promoted by the **International Organization of La Francophonie's** 88 member states, celebrates the French language and Francophone culture; Air Canada and our 36 000 employees also observe it.

On the cultural front, Air Canada supported various countrywide community events and festivals in 2022, celebrating Canada's two official languages:

In February, we supported Winnipeg's annual "Festival du voyageur" that promotes discovery of the rich history of the voyageur era and the vitality of French language and culture in Manitoba. Our continued support has enabled the festival's organizers to maintain support for local artists, keep their staff employed and bring the joie de vivre to Manitobans.

In March, Air Canada was the Platinum partner of **Les Rendez-vous de la Francophonie (RVF)**, one of the cultural events that is organized each year to celebrate March as Francophonie month as well as International Francophonie Day. This national initiative promotes the French language and the many ways it is expressed across Canada. RVF is organized by the Dialogue Foundation, established in 2004 to engage with the Francophonie and with all of Canada's diversity collaboratively and sustainably. 2023 marked the 25th edition of RVF. Hundreds of activities are planned across the country, including multicultural gatherings, performances, film screenings, contests and educational activities, providing an extraordinary opportunity to celebrate with everyone in Canada.



On August 31, Air Canada was proud to sponsor **SuperFrancoFête** at the Agora de Québec. As part of our commitment to support Canada's official languages, we flew in artists from a dozen countries of the Francophonie to take part in the renowned music festival in Québec City.

In September, Air Canada partnered with the **Centre Culturel Francophone** in its **Festival d'été francophone de Vancouver** (Vancouver Francophone Summer Festival), one of the most important cultural and musical francophone events in Western Canada that comprises a rich concert program under the banner of international francophone music, where thousands of people come together to hear artists from across Canada and around the world. Its audience is not limited to the Francophone and Francophile communities but also includes the population of Vancouver at large as well as tourists who are interested in taking part in a cultural experience that is unique on the West Coast.

In November, Air Canada was the official presenter of the Govrache & YAO performance at the **36th edition of Coup de Coeur Francophone**, a music festival spotlighting French artists from Canada and around the world. We share the objective of promoting La Francophonie while supporting emerging local and international musical artists. As the festival's network partner, we facilitated travel for the artists to go on tour across Canada.

In order to make our business communities more dynamic, inclusive and sustainable, Air Canada also partnered with many organizations supporting Francophones or Francophile entrepreneurs or businesses outside the province of Quebec, such as Fédération des gens d'affaires de l'Ontario, Conseil de développement économique de l'Alberta (CDÉA), Chambre de Commerce Francophone de Vancouver, RDÉE Canada (Réseau de développement économique et d'employabilité du Canada) and Club Canadien de Toronto. We also supported many associations and foundations such as Association des communautés francophones d'Ottawa, Association canadienne-française de l'Alberta, Assemblée de la Francophonie de l'Ontario, Fondation franco-ontarienne, Fédération des francophones de la Colombie-Britannique and ACFAS (Association canadienne-française pour l'avancement des sciences) that promotes scientific research in French. We also participated in different events with organizations that promote bilingualism in Canada's youth, such as "Canadian Parents for French" and "French for the Future," where Air Canada employees spoke to young French learners about the importance of bilingualism for their future careers.

Community relations

With the return of in-person events, we reactivated our community partnerships program, supporting more than 320 projects across Canada that go beyond those dedicated to Official Languages — proportional to our presence in the various regions — and internationally and supporting organizations that reflect our corporate priorities.

Air Canada supported over 250 organizations in 2022, compared to 193 in 2019, and over 300 events, initiatives or memberships across Canada and internationally.

Safety First, Always | With care and class | Training | Employee wellness | Compensation and benefits | Labour relations | Employee engagement | Diversity, equity and inclusion | Accessibility | Official languages | Recognition and commitment | **Service for community and beyond** | Food security | Humanitarian relief | Employee citizenship | Charitable donations |

Service for community and beyond

Air Canada Foundation

For over 10 years, the Air Canada Foundation has been supporting communities in need, helping children access critical medical care and responding in times of crisis thanks in part to an extensive network of charitable partners. The Foundation can respond quickly to different types of needs with various assets and volunteers who donate their time and energy.

The Foundation was born following the devastating 7.0-magnitude earthquake in Haiti on January 16, 2010. Air Canada delivered aid to Haiti and evacuated earthquake victims on six humanitarian flights at that time. Since 2012, the Foundation has bolstered its presence and support for the community at large. From its Hospital Transportation Program that helps sick children access medical care that is not offered in their communities, to its various fundraising activities, including its annual golf tournament and Aeroplan Points Matching Week, the Foundation continues its commitment to those who need help.

The Foundation amassed more than \$1 million at its 10th annual charity golf tournament in 2022, with the funds going to charitable organizations that are dedicated to the health and well-being of children and youth in Canada. In total, for 2022, it raised \$1.4 million (to be distributed in 2023) and enabled volunteer opportunities for over 550 Air Canada employees. Funding was directed to multiple projects and initiatives focusing on three pillars: Wings of Health, Wings of Protection and Wings to Dream. Various organizations that were supported by the Foundation include Starlight Children's Foundation, Toba Centre for Children and Youth, Missing Children's Network Canada and Jack.org.

The Air Canada Foundation also forged a partnership with the Joy Smith Foundation, a leader in the prevention and intervention of human trafficking in Canada. The Joy Smith Foundation aims to give individuals access to educational information, empowering them to stay safe from manipulation, force or abuse of power that is designed to lure and exploit people in the sex trade or forced labour. Under this partnership, the Air Canada Foundation will help transport victims of human trafficking back to safety.



To learn more about the Air Canada Foundation and its impact, see the [2022 Impact Report](#).

In 2022, the Air Canada Foundation dispersed close to \$1.6 million for specific programs and initiatives. In total, it supported close to 285 charities through financial and in-kind donations.



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Aeroplan Member Donation Program

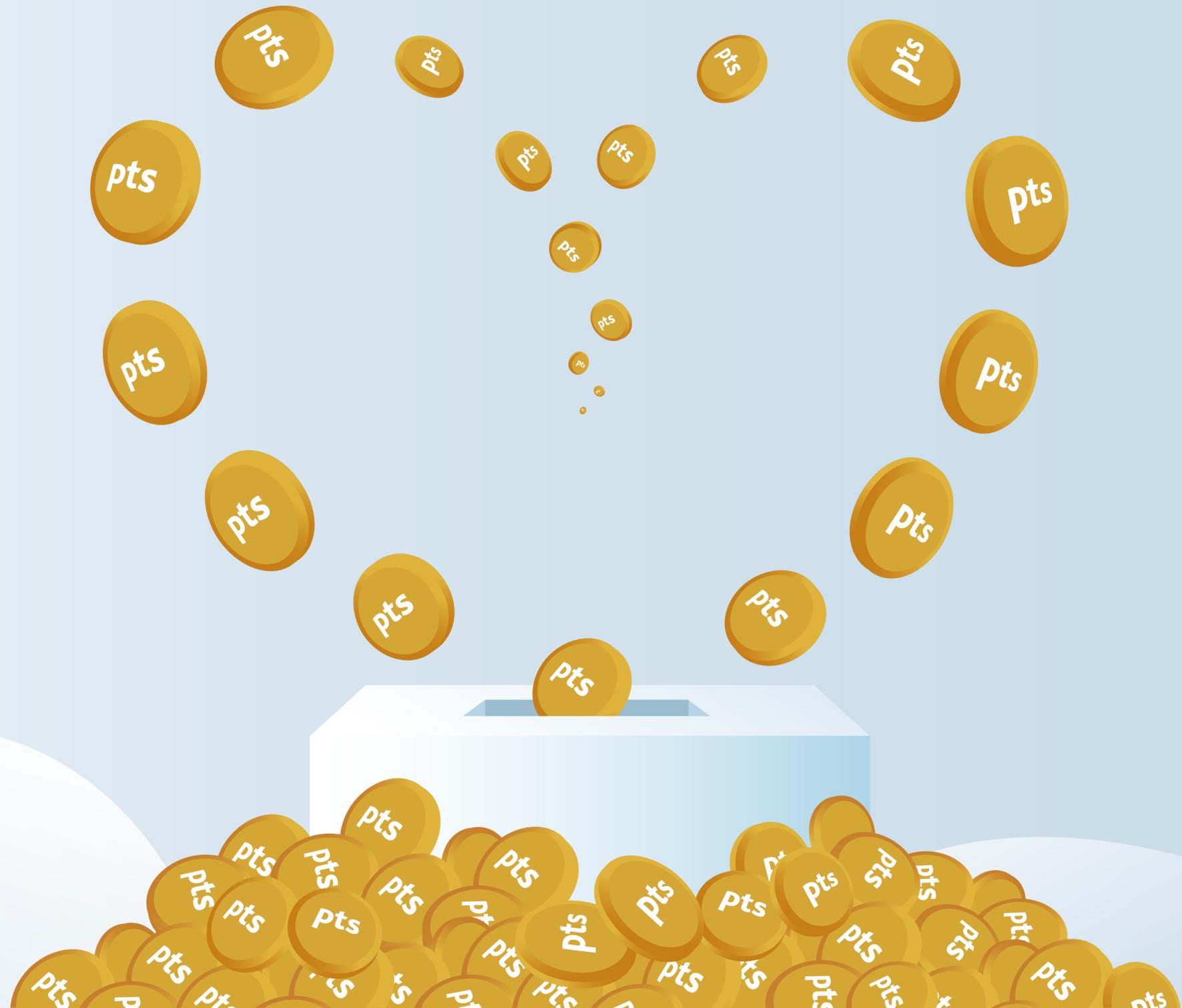
Through the Aeroplan donation platform, Aeroplan Members supported communities through special offers, matching campaigns and donation opportunities. The donation program helps members support Canadian-based initiatives that are working to improve lives and aid communities locally, across Canada and around the world. The donation program welcomed 28 new charities in 2022, helping members connect with more organizations, charities and causes they care about. In 2022, close to 139 million points were donated by Aeroplan and its members through the Aeroplan Member Donation Program. Every point donated helps make a difference and contributes to worthy initiatives in our communities.

In 2022, the Aeroplan Member Donation Program celebrated 16 years of giving back. Since its inception, over 1.6 billion points have been donated by Aeroplan and its members, who have helped more than 1,400 causes, primarily Canadian-based initiatives that work to improve lives and support local, Canadian and global communities.

Air Canada Foundation and Aeroplan Points Matching Week

Aeroplan and its members donated over 900,000 points to the Air Canada Foundation's Hospital Transportation Program during Points Matching Week in 2022. The seven-day period gives members the opportunity to double their impact as Aeroplan matches each point donated (up to 500,000 points).

The points help fuel the program that enables sick children to receive critical care away from home and are redistributed to 15 pediatric hospitals across Canada. This donation will make a huge impact on the lives of sick children and their families in 2023. For 2022, overall, the Foundation raised close to three million Aeroplan points for its Hospital Transportation Program.



Food security

Food Banks Canada's After the Bell Program

Air Canada Cargo and the Air Canada Foundation partnered with Food Banks Canada again in 2022 to support the charitable organization. Over the summer, 175,000 healthy and kid-friendly food packs for children that depend on in-school meal programs were distributed to over 190 communities across the country. Since the launch of this partnership, 325,000 food packs have been delivered.



Humanitarian relief

In 2022, Air Canada contributed \$50,000 to be part of the Disaster Response Alliance, which enables the Canadian Red Cross to pre-position supplies and ensure that systems and disaster teams are ready to respond across the country when crises arise.

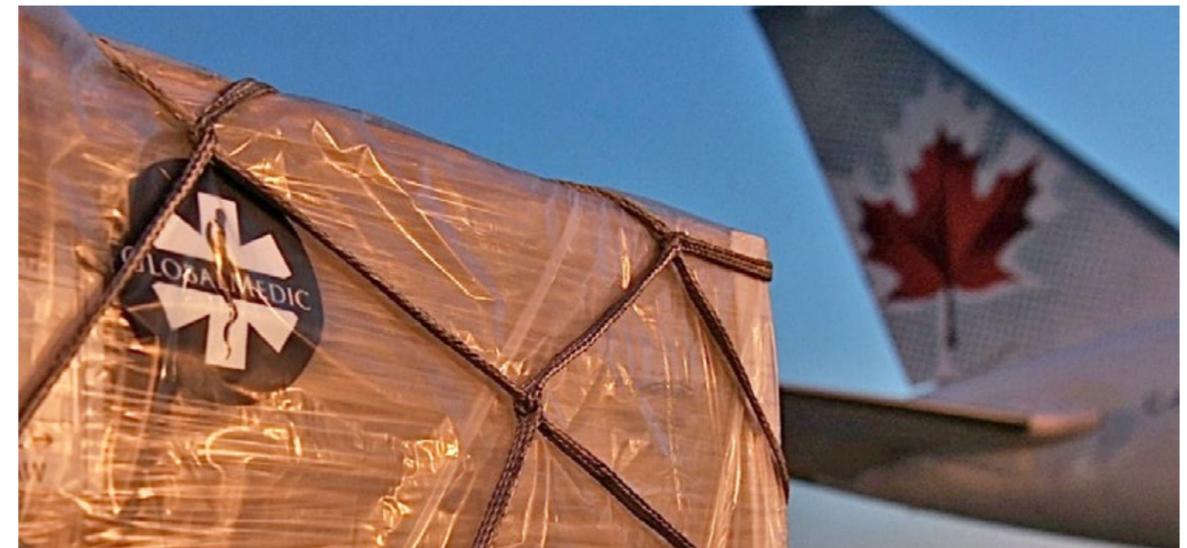


Hurricane Fiona disaster relief appeal

In 2022, the Atlantic provinces were hit by hurricane Fiona, leaving a trail of destruction and thousands without power. Air Canada employees raised over \$6,000 for the Hurricane Fiona in Canada Appeal, launched by the Canadian Red Cross in September. The funds were amassed through financial and Shine points donations. The Air Canada Foundation, for its part, matched this and donated additional funds for a total of \$50,000 to the Canadian Red Cross.

Air Canada Cargo transported 1,290 kilograms of recovery kits to Halifax, N.S., and Deer Lake, Nfld., to support communities after hurricane Fiona. Kits contained garbage bags, gloves and non-perishable food items such as lentils, rice and peas.

With Air Canada's continued support, Airlink provided flights to 37 Team Rubicon Canada volunteers within the first month of the response. As the need for debris removal and home repairs became apparent, Team Rubicon Canada tapped into its robust national volunteer network to help families affected by the hurricane recover.



June 2022 marked one of the worst monsoon seasons on record in Pakistan, affecting more than 33 million people. Air Canada Cargo and Airlink co-ordinated cargo movement for over 3,000 kilograms of family emergency kits on behalf of GlobalMedic. Impacted communities used the kits to gain access to clean water, essential hygiene items and solar light and safeguard against water-borne illnesses. Air Canada Cargo flew the goods from Montréal to London, where they connected with Virgin Atlantic for the London-Islamabad leg of the journey.

Safety First, Always | With care and class | Training | Employee wellness | Compensation and benefits | Labour relations | Employee engagement | Diversity, equity and inclusion | Accessibility | Official languages | Recognition and commitment | Service for community and beyond | Food security | **Humanitarian relief** | Employee citizenship | Charitable donations |

Support for Ukrainians

Air Canada and the Air Canada Foundation launched several efforts in 2022 to directly support relief efforts for the people affected by the crisis in Ukraine and to reinforce the Canadian Red Cross' Ukraine Humanitarian Crisis Appeal, including:

- Air Canada employees and the Air Canada Foundation donated more than \$170,000 to support Ukraine relief. Aeroplan points donated for Ukraine were 100 million by Air Canada, more than 67 million by Aeroplan Members and 50 million by the Shapiro Foundation.
- On March 22, Air Canada announced it would donate \$10 for every booking made on aircanada.com to support Ukraine relief aid, with a total donation of up to \$250,000.
- In the spring, Air Canada Cargo operated humanitarian special cargo flights, in partnership with Airlink and other aid partners, transporting medical equipment for Ukrainians arriving in Poland and other neighbouring countries. From July to October and from October to December, 8,000 kilograms of aid was moved weekly into Ukraine from key European hubs. Additionally, in partnership with Priority Worldwide and Airlink, Air Canada Cargo carried 160,000 kilograms of food supplies to Frankfurt through Vancouver and Calgary to for distribution in Ukraine.
- Early in the crisis, we facilitated the transportation of rapid response teams to scale up operations in Europe to help arriving Ukrainian families.
- In April, 100 Air Canada employees supported GlobalMedic and Airlink, two of our humanitarian partners, by volunteering to pack emergency family food kits destined for Ukraine.
- In total, 6,400 kits containing food items, a solar light, water purification tablets and a trauma bag were packed and carried to Frankfurt for onward connection to Ukraine.



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Employee citizenship



Colourful Communities

The Air Canada Foundation and PPG, the paints and coatings giant, teamed up to host Colourful Communities, an employee volunteer event, to paint the interior spaces of Variety Village Ontario in Scarborough. More than 30 employees attended and helped paint classrooms, offices and hallways, completely revitalizing and reinvigorating the space with a fresh coat of paint, brightening up the community centre.



Ride to Conquer Cancer

In June, the 11th annual "Ride to Conquer Cancer" event saw Team Air Canada YYZ cycle 220 kilometres between Toronto and Niagara Falls for a record-breaking fundraising year. The 28-member-strong team raised almost \$95,000, with the proceeds

earmarked for the Princess Margaret Cancer Centre (PMCC) in Toronto. Since its first ride, the team has raised close to \$600,000 for PMCC, a top five global cancer centre. The funds are predominantly used for cancer research and personal cancer treatments. Air Canada employees also participated in Le Weekend pour combattre le cancer ("The Weekend to Fight Cancer") in Montréal in August.

401 Bike Challenge fundraiser

Air Canada Vacations employees took on the three-day 401 Bike Challenge to Montréal from Toronto in August, raising almost \$55,000 (together with a contribution by Air Canada Vacations) to support the care and treatment of children battling cancer, their families and their caregivers.

The charity bike ride, co-sponsored by Air Canada Vacations and McDonald's, targets better care and treatment of children battling cancer at the Montréal Children's Hospital, Toronto SickKids Hospital and Ottawa Children's Hospital.

Sending Sunshine

The Air Canada Foundation's volunteer opportunity with Sending Sunshine compelled a group of employees to create cards for senior citizens again in 2022. By providing handwritten cards (English or French), they helped reduce the negative effects of social isolation and loneliness among seniors who reside in nursing homes in Canada.

Giving back in December

Every December, Air Canada employees come together to support communities across Canada. During the 2022 season, more than 350 employees gave back by volunteering with local organizations or by participating in Opération Père Noël, an initiative that collects gifts for underprivileged children in Montréal. Last December's collection was a record high, with employees amassing 459 gifts for children. This represents a near 110 per cent increase from the previous year.

Employees also distributed food baskets and assembled backpacks with essential items for youth facing homelessness.

During the Children's Aid Foundation Holiday Season Celebration, employee volunteers welcomed guests, distributed lunch, helped with event logistics, set-up and coat check and supported children's activities like arts and crafts and board game playing.

Through a collaboration with the Air Canada Foundation and local vendors in cities and across Canada, Air Canada employees were offered a wide selection of original gift ideas through its the annual Holiday Market. Employees had two options to shop: in person at our Montréal headquarters or shop select items online from the comfort of their home. A contribution from the vendors supported the Foundation's mission to help kids spread their wings.



Sweat for a Good Cause

In September, Air Canada employees, family and friends joined together for "Sweat for a Good Cause," an employee-led fundraising event of fitness and fun, spearheaded by Paulina Kaye Gonzales, Talent Marketer, to raise funds to support the health and well-being of children and youth, a key priority for the Air Canada Foundation. About 150 people attended the one-day event at the Sarto-Desnoyers Community Centre in Dorval, Que. In just one hour of zumba and 30 minutes of yoga, over \$5,700 was raised.

Charitable donations

Air Canada partnered with Air Canada Olympians and Paralympians who participated in the Beijing 2022 Games to make a \$2,500 donation to a charitable organization of their choice. The following organizations were recipients of donations:

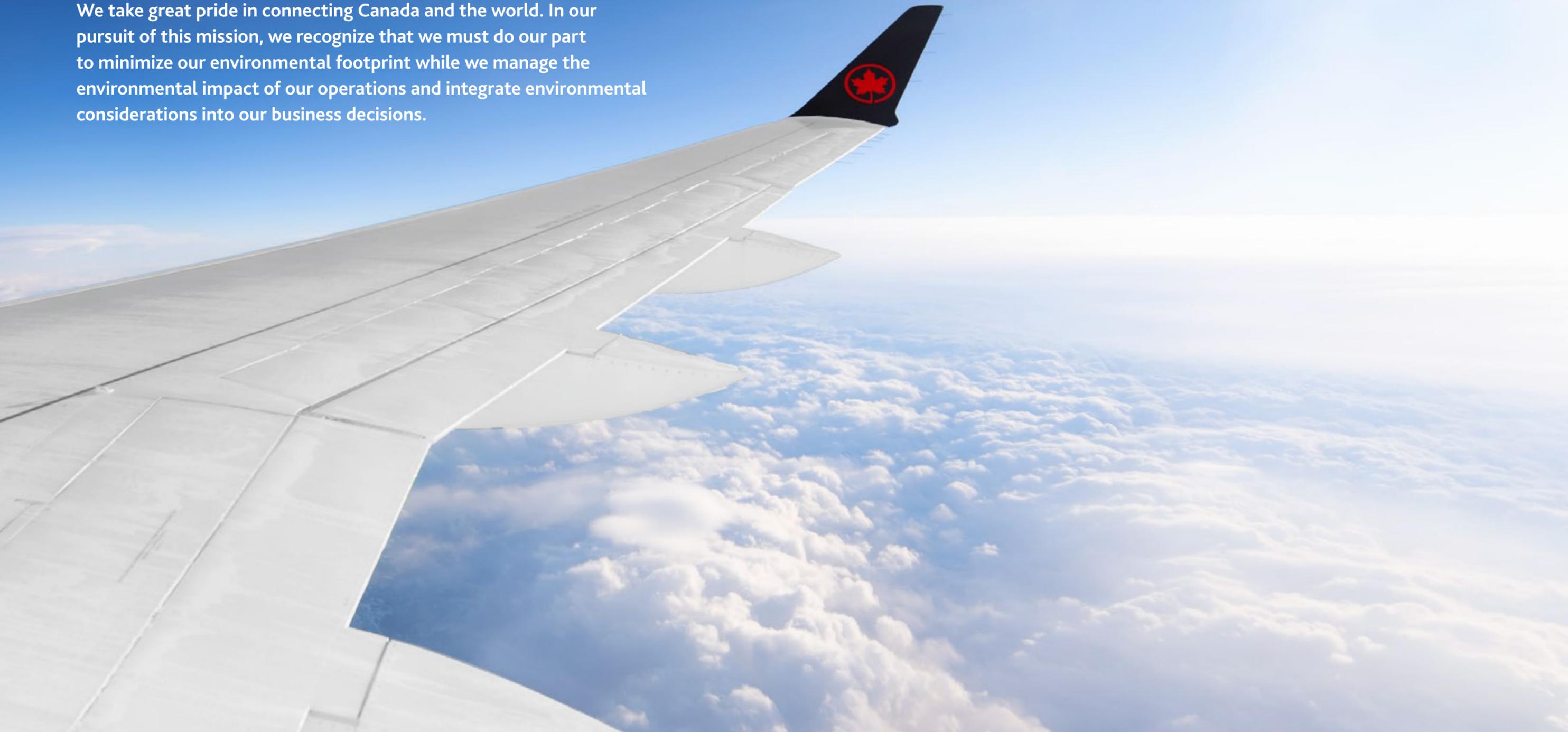
- Breakfast Club of Canada
- Moisson Beauce
- Whistler Animal Galore Society
- Classroom Champion
- IWK Foundation
- Terry Fox Foundation

Air Canada Cargo, in collaboration with GlobalMedic, transported hygiene kits from Toronto to Edmonton in July. These hygiene kits were distributed to the those experiencing homelessness and struggling with severe mental illness.

[Environmental policy](#) | [Stakeholder engagement and associations](#) | [Leave Less](#) | [Do More](#)

Our Planet

We take great pride in connecting Canada and the world. In our pursuit of this mission, we recognize that we must do our part to minimize our environmental footprint while we manage the environmental impact of our operations and integrate environmental considerations into our business decisions.



Air Canada's environmental philosophy is two-fold: **Leave Less** and **Do More**.

- 1) **We Leave Less** to minimize our environmental impact: less carbon in the atmosphere, less energy use in our operations, as well as less waste on land and in water and less noise in the communities we serve; and
- 2) **We Do More** to address environmental issues with more collaboration and participation with industry partners and more involvement in communities as well as with employees and customers.

For more information on our approach and accomplishments over the years, please visit the [Air Canada Leave Less website](#).

Environmental management approach

Environmental policy

Air Canada's Environmental Policy is consistent with the requirements of IEnvA, an ISO 14001:2015 equivalent EMS certification, and details commitments made by Air Canada. The policy is the foundation of Air Canada's Environmental Management System (EMS) through which Air Canada maintains environmental management programs, supporting our efforts and enabling us to meet our obligations and address our environmental impacts.

Environmental Management System

Air Canada uses the EMS, a structured documented system of policies and procedures, to identify the environmental aspects of our activities, develop and implement programs to manage our operational impacts, monitor and assess environmental and climate-related risks and establish the Corporation's environmental objectives, targets and performance indicators.

We advanced to a third-party certified EMS system through the IATA Environmental Assessment (IEnvA) program to reduce GHG emissions, waste and pollution and to bolster our environmental performance. IEnvA was specifically developed for the airline industry to continuously improve environmental and sustainability performances and demonstrates equivalency to the ISO 14001:2015 environmental management systems standard.

Air Canada develops environmental management plans to address our significant environmental impacts and meet our compliance obligations. Through environmental compliance audit programs, we monitor our regulatory compliance, identify root causes of findings and ensure corrective actions are developed, as required.

EMS governance

Air Canada's President and CEO is the highest-level management position with direct responsibility for climate-related issues. The President and CEO is a member of the Air Canada Board of Directors and has overall management responsibility for Air Canada's Climate Action Plan.

The President and CEO chairs Air Canada's Corporate Environmental Board (CEB), which provides direction and strategic advice on Air Canada's major environmental and climate-related risks and opportunities. As the CEB Chair, the President and CEO is responsible for ensuring the executive management's commitment to Air Canada's Environmental Policy and its Environmental Management System. Business unit heads make up the CEB and collaborate with members of other departments as well.

The CEB meets quarterly to review potential environmental risks and opportunities, progress on programs and plans and consider future directions for the Corporation. Progress on key topics and initiatives are reported to the Safety, Health, Environment and Security Committee of the Board.

Air Canada uses a multi-disciplinary, company-wide risk management process for identifying, assessing and monitoring climate-related risks and opportunities. Identified risks and opportunities are reviewed quarterly.



IEnvA

Air Canada developed an environmental policy that is consistent with the requirements of the IATA Environmental Assessment (IEnvA) Program, an ISO 14001:2015 equivalent EMS certification, which details the commitments made by its executive management. The policy is the foundation of Air Canada's EMS. The recertification cycle for the program is every two years. Air Canada's recertification process is scheduled for 2024.



Air Canada is proud to have been the first airline in North America to be IEnvA Stage 2 certified, the highest level of IEnvA compliance. IEnvA Stage 2 requires that airlines develop and implement, among others, the following:

- Environmental policy
- Procedures to identify, assess and manage environmental aspects and impacts
- Environmental significance/risk rating criteria
- Environmental management plans to address environmental issues that include:
 - Environmental objectives and associated plans to achieve those objectives
 - Control mechanisms to achieve and maintain environmental compliance and performance
- Environmental training programs
- Environmental communications plans
- Emergency response procedures

Training

We developed and established several training programs to ensure our employees are aware of their roles and responsibilities, have appropriate knowledge of environmental issues and are adept to undertake tasks that may have significant environmental impacts. The training underscores to employees the importance of compliance with environmental regulations, policies, procedures and other requirements of the EMS. We are continuing to transform our Environmental Training Program through our online platform to better suit our mobile workforce.

Stakeholder engagement and associations

Air Canada is not alone, and governments, industry and others in the climate action chain must each play their part. We critically rely on each other to reach our collective goals. This is why we have led and worked with industry and other stakeholders in several initiatives in recent years relating to climate action or environmental protection locally and globally, including:

- Reporting in relation to ICAO Carbon Offsetting and Reduction Scheme for International Aviation (CORSA), which applies to certain international flights
- Signatory, through the National Airline Council of Canada (NACC), to the Canadian Action Plan to Reduce Greenhouse Gas Emissions from Aviation
- Founding member of the Canadian Council for Sustainable Aviation Fuels (C-SAF), a not-for-profit organization that aims to accelerate the commercial production and supply of affordable SAF in Canada
- Founding member and first Canadian carrier to join the Aviation Climate Taskforce (ACT)
- Signatory to the Clean Skies for Tomorrow 2030 Ambition Statement, uniting companies that seek to transition to net-zero emissions for aviation
- Member of various IATA sustainability and environmental working groups
- Chair of the NACC Environmental Subcommittee and involved with other environment committees and working groups with the Airlines for America (A4A) and the Star Alliance™ Sustainability Committee
- Member of Canadian Business for Social Responsibility (CBSR)

Air Canada is a signatory, through NACC, to Canada's Aviation Action Plan (2022–2030). This multiparty action plan between aviation industry stakeholders and the federal government outlines how the parties intend to reduce greenhouse gas emissions from aviation activities. In August 2022, a new 2022–2030 action plan was adopted, setting an ambitious net-zero vision for the sector by 2050, including an aspirational target for the use of SAF of 10 per cent by 2030, along with key actions the government and the aviation sector will take to achieve this vision.



C-SAF published in June 2023, with its ecosystem's members' support, a roadmap detailing a policy framework, key priorities and next steps for the development of SAF in Canada. To incentivise SAF development through policies and funding, we are collaborating with governments and supporting plans like the federal government's Clean Fuel Standard, which includes provisions to produce SAF.

Made up of 10 global airlines and the Boston Consulting Group, the ACT was established to accelerate research and advance innovation that is related to emerging decarbonization technologies, including SAF, in order to tackle the challenge of rising CO₂ emissions from commercial aviation.

The mission of the Clean Skies for Tomorrow Coalition is to accelerate the deployment and use of SAF technologies to reach 10 per cent of global jet aviation fuel supply by 2030.

Climate disclosures

Since 2007, information on Air Canada's carbon footprint, targets and climate strategy has been reported through the CDP. Established in 2000, the CDP is a global disclosure system that is used to help investors, companies, states, regions and cities manage their environmental impacts. The CDP questionnaire incorporates elements of the TCFD framework. To access Air Canada's CDP response, visit www.cdp.net.

In addition to reporting through the CDP, Air Canada has aligned its disclosures with the TCFD framework. For more detailed climate disclosures, please refer to Air Canada's upcoming 2022 TCFD report.



Leave Less

Less carbon, less energy



NET-ZERO GHG BY 2050

In March 2021, Air Canada announced its Climate Action Plan, which aims to achieve an ambitious goal of net-zero emissions by 2050. In defining our pathway to this goal, we have set the following 2030 absolute mid-term GHG net-reduction targets:

20%

GHG net reductions

from our **air operations** by 2030 compared to our 2019 baseline

30%

GHG net reductions

from our **ground operations** by 2030 compared to our 2019 baseline

\$50M

investment fund

for **low-carbon technologies** to accelerate decarbonization, such as SAF, and new aircraft technologies

Air Canada is committed to advancing climate change and environmental sustainability throughout our business and to reporting on our progress. The ambitious net-zero goal will be pursued through a series of five-year period climate action implementation plans. The Climate Action Plan builds on its existing value streams and activities and is based on four key carbon reduction pillars that are central to the advancement of Air Canada's climate objectives:



Fleet and operations

Air Canada will continue prioritizing the renewal of its fleet with modernized and efficient aircraft and the phasing out of carbon-intensive ground equipment and replacing these with electric alternatives.



Innovation

Air Canada remains actively involved in getting innovative technologies off the ground and will support their commercial scale-up, all while always promoting safety and performance.



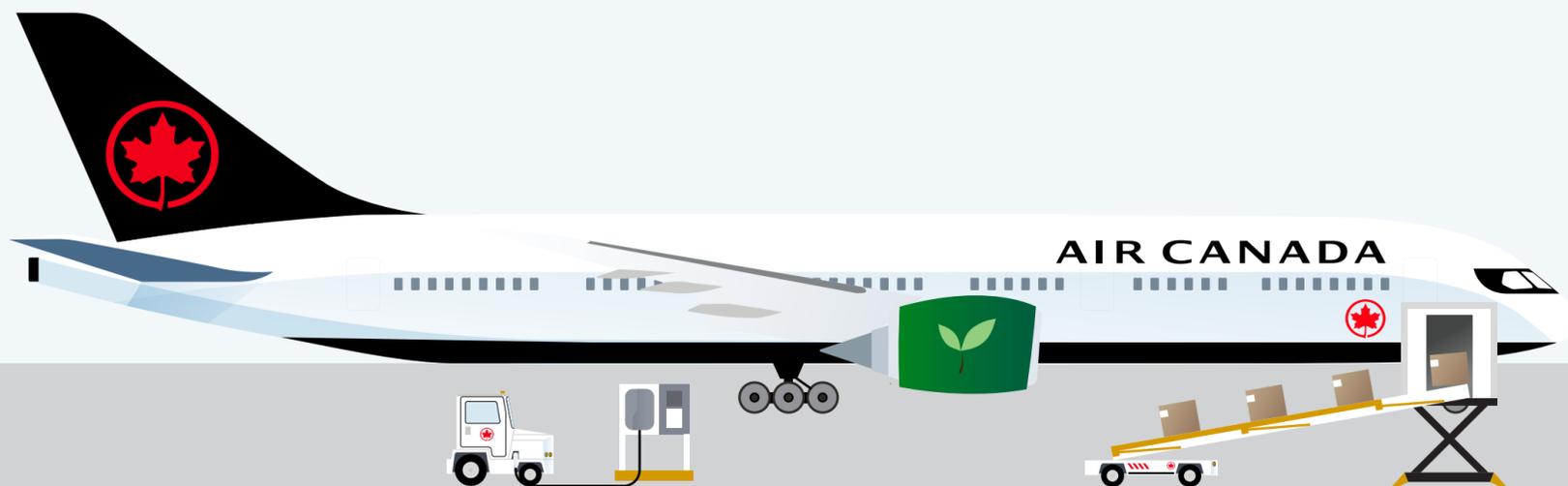
SAF and renewable energy

The SAF and clean energy pillar accounts for energy and fuel switch wherever possible. There is no decarbonization of the aviation industry without SAF, and we will consider renewable energy sources, including renewable natural gas or on-site renewables, for our ground operations.



Carbon reductions and removals

Once we have optimized our operations, started using innovative technology and replaced our fossil fuel consumption with low-carbon or sustainable fuels and renewables, we will need carbon reductions and removals to bridge the gap to meet our net-zero goal. Air Canada, thus, continues to explore carbon negative emission technologies and other direct emission reduction and removal strategies as a gap filler to the first three carbon reduction pillars.



SAF challenge

Sustainable aviation fuel is not currently available in Canada.

Meanwhile, demand is growing as the airline industry looks to reduce its GHG emissions. The IATA lists SAF as one of the key elements to help our industry achieve its ambitious 2050 GHG emissions reduction goals.

We understand that SAF is the only technology solution that is currently commercially available and that can meaningfully abate emissions from the Corporation's flight operations. SAF can reduce lifecycle GHG emissions by up to 80 per cent versus conventional jet fuel and has the added benefits of having a limited impact on performance and providing energy diversification, but SAF alone will not suffice. New technology solutions and significant co-operation and investments will be required to achieve 2050 GHG emissions reduction goals.

Together with C-SAF, Air Canada is working with the federal and provincial governments in Canada to create a concrete action plan to establish a competitive investment climate and to capture the economic value add of SAF that is made in Canada. The Canadian aviation industry wants to work with all key stakeholders in building a decarbonized country, which would result in an affordable, resilient and innovative Canadian SAF supply chain and, in turn, ensure Canada maintains a leading role in sustainable aviation.



KEY STATS FOR 2022:

TOTAL SCOPE 1 EMISSIONS
9,513,174 (tCO₂e)
 compared to 13,205,187 (tCO₂e) in 2019

TOTAL SCOPE 2 EMISSIONS
8,705 (tCO₂e)
 compared to 10,489 (tCO₂e) in 2019

TOTAL SCOPE 3¹ EMISSIONS
1,012,659 (tCO₂e)
 compared to 1,644,501 (tCO₂e) in 2019

¹ Refer to 2021 Air Canada TCFD Report for calculations.



Environmental policy | Stakeholder engagement and associations | **Leave Less** | Do More

Developments in 2022

For Earth Day, Air Canada allocated SAF to four commercial flights departing San Francisco for our major hubs in Toronto, Montréal, Vancouver and Calgary. These four flights enabled Air Canada to reduce its GHG emissions by about 39 tonnes of CO₂e compared to conventional fossil jet fuel combustion. This represents the equivalent of two round trips between Ottawa and Vancouver or roughly 19,000 kilometres by car.

Air Canada introduced CHOOOSE as its new carbon offset partner. The option to purchase verified carbon offsets is now seamlessly integrated into our Canadian and U.S. booking websites. Customers can learn more about GHG emissions and how to compensate for them during their travel when they book through aircanada.com.

Airbus and several major airlines including Air Canada and Lufthansa Group signed letters of intent to explore opportunities for a future supply of carbon removal credits from direct air carbon capture technology. Direct air carbon capture and storage is a high-potential technology that uses high-powered fans to filter and remove carbon dioxide emissions directly from the air. Once removed from the air, the CO₂ is stored in deep geological formations (porous rocks that are more than a kilometre underground). Carbon removals and credible carbon offsets will remain a necessary means to bridge the gap to meet aviation's net-zero GHG emissions goal by 2050, along with in-sector GHG emissions reductions technologies such as operational improvements, SAF and new aircraft technologies as, according to ICAO, those are expected to take us to about 87 per cent of the way to the long-term aspirational goal.

In September 2022, we launched a partnership with Rheinmetall Canada to type-trial the Rheinmetall eMSU at Montréal airport. The eMSU is the world's first, zero-emission, all-electric air start unit. It eliminates contaminants, thus improving local air quality and reducing GHG emissions. The result is cleaner and more cost-effective lift-offs. We also began type-trialling the eMSU with our aircraft — Boeing 737 and 767 and Airbus A220, A319, A320, A321 and A330 — in early 2023. We hope to incorporate the Rheinmetall eMSU into our fleet of ground support equipment in the future.

Specific climate projects that Air Canada's carbon offset partner, CHOOOSE, is supporting deliver benefits in Canada and abroad and align with UN Sustainable Development Goals. These projects target forestry in Canada, forest management and mangrove ecosystem in Central and South America and clean cooking solutions for Indigenous Peoples in South Asia. The following projects focus on biodiversity and conservation:



Great Bear Forest Carbon Project (Canada)

Great Bear covers more than 14 million acres in British Columbia and is the world's largest remaining intact coastal temperate rainforest. The project seeks to safeguard and increase carbon stocks by converting forests, formerly slated for logging, into protected forests. The goal is to reduce emissions caused by harvesting, road building and other forestry operations.

Nii Kaniti: Community Forest Management with Indigenous Communities (Peru)

The Nii Kaniti project in Ucayali, Peru, works with seven Indigenous communities to conserve 127,000 hectares of threatened forest in the Peruvian Amazon. The project protects the rainforest against deforestation by scaling up sustainable community forest management, giving local people training and resources to preserve the forest and strengthening subsistence farming.

Vida Manglar (Colombian Caribbean)

Also known as Blue Carbon, this project in the Gulf of Morrosquillo (Colombian Caribbean) aims to reduce GHG emissions through identification and prioritization of actions that enable adequate management of mangroves, promotion of sustainable development and stronger local governance and advocacy of alternative productive activities. At the same time, it contributes to the protection of high values of community conservation and biodiversity.

Improved Cookstoves (Nepal)

The project involves the promotion of improved cooking stoves (ICS) to the people of economically deprived communities, specifically the Dalits and Janajatis Indigenous Peoples. It will provide households with clean cooking solutions, displacing the less-efficient traditional cooking stoves with better-efficient stoves. ICS help reduce families' exposure to indoor air pollution, resulting in savings of health-related expenses. The CO₂ impact of this project is Gold Standard certified.

We developed in 2022 and launched in early 2023 is carbon offsets when flying with Air Canada on an Aeroplan flight reward. When Aeroplan Members redeem Aeroplan points for flights, Air Canada purchases carbon offsets to mitigate GHG emissions that are associated with their flight segments (on Air Canada, Air Canada Express and Air Canada Rouge).

Air Canada won the Roberta Bondar Foundation's inaugural award for innovation and creativity in recognition of our long-term commitment to environmental protection through our net-zero GHG emissions by 2050 target and other initiatives.



Environmental policy | Stakeholder engagement and associations | **Leave Less** | Do More

Leave Less Travel Program



We launched the Leave Less Travel Program in 2021, offering corporate and cargo customers the opportunity to reduce GHG emissions associated with their business travel. To ensure its robustness and avoid double counting, the program is verified by an independent third party each year.

In 2022, eight corporate accounts joined the program. Customers could choose a tailored offering via four core actions:

1 Calculate

Air Canada tracks and calculates the GHG emissions associated with customers' business travel.

2 Select

Customers can choose how they want to mitigate their GHG emissions: the environmental attributes from SAF, carbon offsets or a combination of both.

3 Purchase

Air Canada purchases required SAF volumes and issues an SAF certificate that is in line with industry-leading best practices. Through this system, we allocate the environment attributes (Scope 3 GHG reductions associated with SAF use) to only one specific customer. Air Canada facilitates the purchase of carbon offsets via its partner, CHOOOSE.

4 Reduce

Customer contributes to its sustainability goals.

Ground support equipment

Along with the significant investments we are making for our air operations, we continue to move forward with wise investments for our ground operations as well. Case in point is the deployment of electric ground support equipment (GSE), which we initiated in 2019 and continued to accelerate the transition to e-GSE with the integration of **more than 2,400 clean-energy units into our fleet in 2022**.

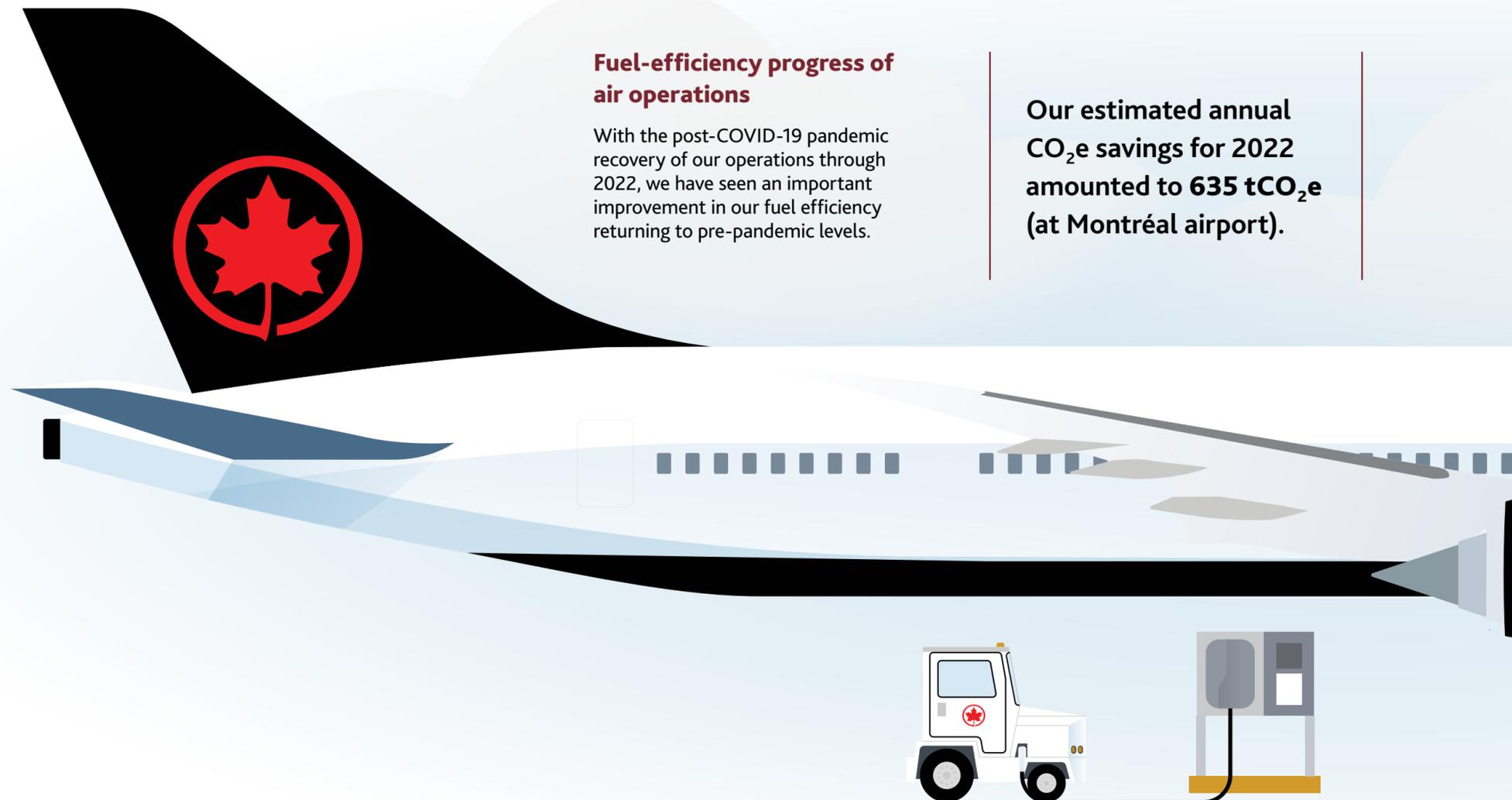
The delivery of this equipment is slated for 2023, further cementing our commitment to secure 30 per cent GHG net reductions from our ground operations by 2030. This will propel our effort to electrify our ground fleet, and Air Canada will collaborate with various stakeholders including airports to follow through on this phased plan. Charger installations for passenger operations are within the scope of airport authorities, but chargers will be installed to support electrification in our owned facilities including at headquarters and for cargo and maintenance.

Also related to our efforts to achieve our ambitious ground target is a focus on our facilities with projects to reduce consumption, upgrade equipment and move to renewable energy sources. In 2022, we began using renewable natural gas (RNG) for our campus at headquarters. We will increase this in 2023 as we explore other provinces where RNG is available.

Fuel-efficiency progress of air operations

With the post-COVID-19 pandemic recovery of our operations through 2022, we have seen an important improvement in our fuel efficiency returning to pre-pandemic levels.

Our estimated annual CO₂e savings for 2022 amounted to **635 tCO₂e** (at Montréal airport).

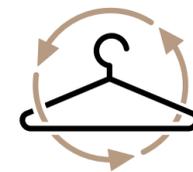


Environmental policy | Stakeholder engagement and associations | **Leave Less** | Do More

Less waste

In 2022, Air Canada diverted 57.4 per cent the total waste generated in offices and facilities from landfill, underscoring our steadfast commitment to sustainability and responsible waste management practices. Moving forward, Air Canada is working on adapting its corporate waste strategy that is based on circular economy principles. From reducing waste at the source to developing new strategies to keep resources in use, we are committed to finding creative and long-lasting solutions beyond simply diverting waste from the landfill.

Waste diversion and donation statistics:



Uniform Recycling Program has diverted

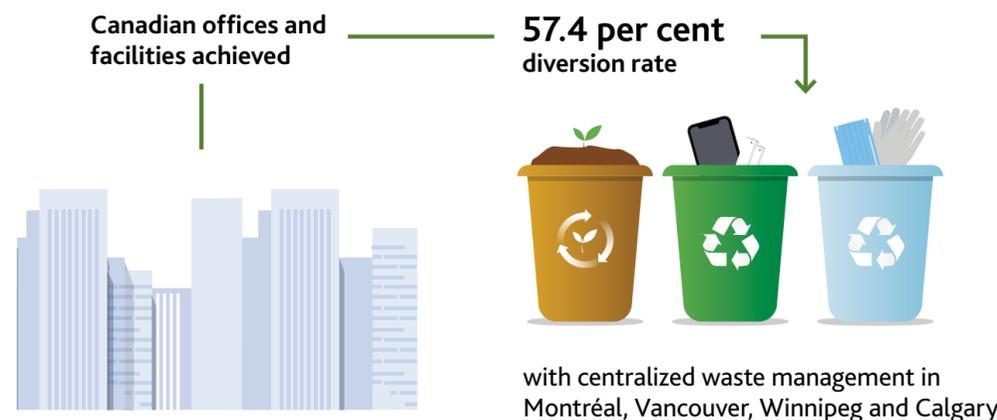
1.06 tonnes of uniforms from landfill

Brands for Canada received 4.55 tonnes of duvets and mattress pads

89,000 uniforms diverted from landfill since 2018



14 organizations received 86.1 tonnes of materials overall



7.6 tonnes of electronic waste diverted from landfill

In 2022, we were the official travel sponsor for not-for-profit Ocean Wise's latest shoreline clean-up effort. On September 17, International Coastal Clean-up Day, Air Canada employees and their families joined more than 300 participants in one of three shoreline clean-ups (Toronto, Vancouver, Saguenay Que. (a private Air Canada clean-up)).



Recycling in offices and facilities

In 2022, we continued our dedicated efforts to recycle and centralize waste at our sites in Canada. This included the collection and diversion of more than 7.6 tonnes of electronic waste from landfill, as well as the collection and diversion of food, paper items and batteries. The equipment included printers, IT equipment, iPads, ink cartridges and other e-waste that were recycled or reused.

We also continued to dispose of batteries from assorted handheld devices and tools, improved efforts to recycle hazardous waste and accepted obsolete cellphones. To further promote responsible disposal practices, Air Canada has various electronic waste disposal bins installed throughout our facilities. Employees are welcome to use these bins to recycle designated work items as well as their personal devices and batteries brought to Air Canada from their homes.



Less noise

Mitigating the effect of noise to and from the airports we serve is a priority. We actively participate on noise abatement committees with multiple stakeholders, including airport authorities, local government, air navigation service providers and other air carriers to improve noise conditions around airports. When investing in new aircraft, we consider the noise impact to ensure we reduce the noise footprint as much as possible. Most of our aircraft achieve or surpass the Chapter 4 noise standards set by ICAO, and the Airbus A220-300 reduces the noise footprint by 50 per cent versus older-generation aircraft.

To further minimize noise, airports have developed noise abatement procedures with which our flight crews comply and carefully manage operating hours during the night. Furthermore, because of technological improvements, aircraft produced today are 50 per cent quieter than they were 10 years ago and 75 per cent quieter than the first generation of jet aircraft (as reported by Aviation Benefits Beyond Borders).

As early as November 2015, we have been operating several narrow-body Airbus aircraft with the FOPP Cavity Vortex Generator modification installed to reduce aircraft noise. Additionally, in 2018, we proactively started a program to add a noise-reducing device to the remainder of our Airbus A320 family aircraft that are scheduled to remain in our fleet beyond 2023. We completed the retrofit on all aircraft in early 2023.



Water conservation

We are committed to protecting our natural environment and improving our environmental performance including in the use of water resources. By leveraging our EMS, we identified water-related, operational and potential impacts from our activities.

Under our Water Conservation Program, we measured our water consumption on board our aircraft and measured and tracked our facility water withdrawals.

Air Canada uses water for its flight and ground operations as well as for its corporate, cargo and maintenance facilities. Generally, water that is used for flight operations is provided by the airports and includes the water uplifted for passenger service.

Facilities use water in cooling towers, aircraft and ground support equipment maintenance activities and in day-to-day facility operations. The water is usually sourced from the local municipalities and/or airports and is discharged to municipal sewer systems directly or indirectly via an airport's own sewer system. However, any hazardous wastewater that is generated is treated or disposed of following applicable laws and regulations.

Air Canada has developed environmental management plans to address our ongoing and potential water-related impacts. These management plans ensure compliance to applicable regulations and are developed to prevent pollution and minimize environmental risks. In addition to advancing our Water Conservation Program, Air Canada has long-standing environmental management plans for wastewater and storm water that ensure compliance with regulations.

In 2022, our estimated aircraft water uplift for all flight operations increased to 51.73 megalitres from 21.43 megalitres in 2021. This growth was due to the increase in operations, along with a higher use of our Boeing 787 and 777 aircraft, which have larger water tank capacities.

Our partnership with the group Fill it Forward is another example of how Air Canada is making a conscious effort to promote the sustainable use of water on our premises. Fill it Forward develops interactive technologies and creates initiatives to help employees do more by tracking their personal water consumption using the Fill it Forward app and a sticker barcode on their bottle.

For each reusable water bottle that employees filled and tracked, in 2022, we contributed to Water First, a Canadian charity that addresses water challenges in First Nations communities through education, training and meaningful collaboration for our first activity. We also offered a new activity for employees later in the year: three new kelp reforestation projects, also coined "seaforestation," were spearheaded by Ocean Wise, a globally focused conservation organization that is on a mission to restore and protect our oceans. Seaweed forests are a rich habitat for marine life, including commercially important fish and invertebrates. They naturally capture carbon in large volumes and protect the coast from the impacts of extreme weather events.



Do More

Protecting nature and biodiversity

Biodiversity and climate change are interconnected with biodiversity, through the ecosystems it supports, providing nature-based solutions to climate change. The illegal wildlife trade contributes to biodiversity loss, and Air Canada is dedicated to combatting and raising awareness on the issue and its consequences. In addition to threatening ecosystems, the illegal wildlife trade is a recognized gateway to zoonotic disease spread, therefore, fighting illegal wildlife trade is important for preventing pandemics of zoonotic origin.

The Convention on International Trade in Endangered Species of Wild Fauna and Flora (CITES) "is an international agreement between countries to help ensure this trade is not harmful for the survival of species." Canada has been involved with CITES since 1975. Air Canada is committed not to transport illegal CITES specimens knowingly. As such, we have adopted a zero-tolerance approach in our cargo operations and do not allow the carriage of species covered by CITES unless the shipper certifies that the species is carried under a CITES permit. We also have an embargo on the carriage of shipments of lion, leopard, elephant, rhinoceros and water buffalo trophies, shark fins and non-human primates that are intended for laboratory research and/or experimental purposes.

Early in 2022, Air Canada worked with the Canadian International Freight Forwarders Association (CIFFA) to develop a member-to-member webinar that was held in January 2022. The webinar included presentations from Air Canada Cargo, United for Wildlife and the Wildlife Enforcement Directorate of Canada. The goal was to help industry partners better understand the subject. In parallel, we developed a unique visual campaign that was presented on screens in our cargo facilities to serve as an IWT awareness refresher to our frontline employees who are at the forefront of combating illicit wildlife trafficking.

Spanning from late 2021 into early 2022, in collaboration with Edmonton International Airport, Air Canada conducted a passenger awareness and engagement campaign to encourage passengers to "Be a Wildlife Watcher." The

campaign encouraged travellers to take a picture instead and leave nature in its place.

These latest initiatives were a continuation of our efforts that began in 2020, which included the signing of the Buckingham Palace Declaration, a landmark agreement of 11 commitments that was designed to remove the vulnerabilities in transportation and stop the illegal wildlife trade, as well as our becoming Illegal Wildlife Trade (IWT) certified — the first airline in all the Americas to achieve this industry standard. Introduced in 2019 by IATA, the IWT certification demonstrates that an airline has incorporated the 11 commitments of the United for Wildlife Buckingham Palace Declaration into its operations.

In 2021, we hosted a virtual forum on the illegal wildlife trade in Canada's transportation industry with over 250 participants. As the country's largest airline, Air Canada's goal was to raise awareness about the illegal wildlife trade in Canada and around the world. The forum featured a host of prominent international speakers and subject matter experts, including Michael Rousseau, President and CEO of Air Canada, the Honourable Jonathan Wilkinson, former Minister of Environment and Climate Change, and Jane Goodall DBE, world-renowned primatologist and anthropologist.

In addition, Air Canada created the Illegal Wildlife Trafficking (IWT) e-learning training, a module that is mandatory for all frontline employees and operational managers at Air Canada Cargo.

We look forward to partnering with airports, freight forwarders and other stakeholders, and to working proactively with enforcement agencies and conservation organizations to further address this important issue.



Air Canada sponsored Jane Goodall's return to Canada by partnering with the Jane Goodall Institute of Canada (JGIC) for the world-renowned primatologist and conservationist's first in-person events, An Evening with Jane Goodall, in Calgary and Vancouver.

Air Canada supported the UN Biodiversity Conference Youth and Community Festival in Montréal in December 2022. Our team was on hand at the "One Earth – One Choice" event to raise awareness about Air Canada's environmental programs and initiatives under our Leave Less and Do More approach.

United for Wildlife (UfW) North American Taskforce - Launched in November 2022, this taskforce comprises Air Canada and leading U.S. financial institutions, transport companies and law enforcement agencies (Barclays, Deloitte, Deutsche Bank, Citibank, HSBC, JP Morgan Chase, Scotiabank, Standard Chartered, Wells Fargo) and has pledged to fight the global illegal wildlife trade.

Environmental policy | Stakeholder engagement and associations | Leave Less | **Do More**

Busy as bees

In 2022, Air Canada was pleased to announce the return and expansion of our urban beehive initiative, helping bolster our ecosystem. We have installed beehives at our Montréal headquarters and at our Flight Operations Centre in Toronto. At peak summer, it is estimated that each hive can have as many as 100,000 bees. In 2023, we expanded the program to three new stations (Halifax, Vancouver and Calgary) with one beehive at each station.

Air Canada Cargo routinely flies boxes of live bees in the spring to support the agriculture industry. Bees play an important role in the pollination of flowering crops such as blueberries, cranberries, canola, tree fruits and certain vegetables. Each year, 250,000 queens and 40,000 small bee colonies are imported into Canada on behalf of farmers countrywide. In total, Air Canada Cargo flew 48,320 kilograms of bees and queens of bees in 2022.

Read "[World Wildlife Day: Air Canada continues work towards overall ecosystem conservation and giving back to nature](#)" to learn more about our beehive initiative.

Tree planting

In the spring, employees and their children attended a tree-planting event in Toronto with Partners in Project Green. In total, 200 trees and shrubs were planted alongside community members.



Sustainability scholarship

In September 2022 we launched the sixth edition of the Air Canada Sustainability Scholarship program for children of employees. We asked eligible students to convey in a 500-word essay how issues relating to sustainability are integrated into their educational pursuits. Ten deserving students were each awarded \$2,000 to use toward their post-secondary studies. The funds for this scholarship are raised through metal recycling activities carried out by our Air Canada Maintenance branch.

Doing more for communities with re-purposing of materials and waste reduction

In 2022, Air Canada donated surplus food to Second Harvest Canada through the Food Rescue App and its direct service redistribution efforts. Through these efforts, close to 80,000 meals were served and over 103,000 kilograms of GHGs were diverted from landfill¹⁰. These food donations reached 12 not-for-profit agencies in nine cities across Canada.

Since we began collaborating with Second Harvest Canada, close to 2.2 million meals have been served and more than 2.8 million kilograms of GHGs have been diverted from landfill.



To date, numerous donations have been made from Air Canada and the Air Canada Foundation to various non-profit organizations, including:

- 114 duvets and 102 mattress pads sent to the SPCA
- 100 uniforms donated to the Salvation Army
- 10,500 fabric face masks given to the Toronto Catholic District School Board
- 1,800 duvets provided to Brands for Canada
- About 22 kilograms of textile given to FabCycle to be upcycled/reused
- 900 duvets donated to Sistering
- 1,108 life jackets sent to Mariclara to be upcycled/reused

¹⁰ Second Harvest Canada data

GRI Standard	Disclosure	Location
GENERAL DISCLOSURES		
Organizational Profile		
102-1	Name of the organization	Air Canada
102-2	Activities, brands, products and services	2022 Annual Report, pages 30-31 2022 Annual Information Form, pages 4-14
102-3	Location of headquarters	7373 Côte-Vertu Boulevard West Saint-Laurent, Québec H4S 1Z3 CANADA
102-4	Location of operations	2022 Annual Report, pages 30-31 2022 Annual Information Form, pages 3-14
102-5	Ownership and legal form	Corporate profile Corporate governance
102-6	Markets served	2022 Annual Report, page 108
102-7	Scale of the organization	2022 Annual Report, pages 30-31, 42-49, 104 2022 Annual Information Form, pages 4-14, 35
102-8	Information on employees and other workers	GRI charts, page 1
102-9	Supply chain	Refer to Value chain, page 25 , and Procurement policy page 26 .
102-10	Significant changes to organization and its supply chain	There were no significant changes to facility openings, closings or expansions in 2022, other than that some of the work was performed remotely (telework) and that, in continuing our efforts in procurement transformation, we are working on eliminating manual processes for advancing on digitalizing of our supply chain.
102-11	Precautionary principle or approach	Refer to Sustainable culture, page 10 , Enterprise risk management, page 23 , and Environmental Management System, pages 54-55 .
102-12	External initiatives	Refer to Achievements and accomplishments, pages 11-13 .
102-13	Memberships of associations	Refer to Star Alliance™, page 17 , Associations, page 30 , and Stakeholder engagement and associations, page 55 .
Strategy		
102-14	Statement from senior decision maker	Refer to A message from the President and CEO, page 9 .
102-15	Key impacts, risks and opportunities	2022 Annual Report, pages 81-89 TCFD report, pages 14-20
Ethics and Integrity		
102-16	Values, principles, standards and norms of behaviour	Refer to Corporate sustainability at Air Canada, page 5-7 , Sustainability mission statement, page 8 , Sustainable culture, page 10 , Safety First, Always, pages 28-30 , and With care and class, pages 31-32 . Corporate Policy and Guidelines on Business Conduct Supplier Code of Conduct Modern Slavery and Human Trafficking Statement

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GRI Standard	Disclosure	Location
Governance		
102-18	Governance structure	Refer to Governance, pages 20 .
102-20	Executive-level responsibility for economic, environmental and social topics	2022 Annual Report, pages 33-41 TCFD Report, pages 9-10
Stakeholder Engagement		
102-40	List of stakeholder groups	Refer to Corporate Sustainability at Air Canada, pages 5-7 , and Stakeholder engagement and associations, page 55 .
102-41	Collective bargaining agreements	For the duration of collective agreements, 2022 Annual Information Form, pages 26-27 GRI charts, page 2
102-42	Identifying and selecting stakeholders	Refer to Corporate Sustainability at Air Canada, pages 5-7 .
102-43	Approach to stakeholder engagement	Refer to Corporate Sustainability at Air Canada, pages 5-7 .
102-44	Key topics and concern raised	Refer to Corporate Sustainability at Air Canada, pages 5-7 .
Reporting Practice		
102-45	Entities included in the consolidated financial statements	2022 Annual Report, page 108
102-46	Defining the report content and topic boundaries	Refer to About our report, page 4 , and Corporate Sustainability at Air Canada, pages 5-7 .
102-47	List of material topics	Refer to Corporate Sustainability at Air Canada, pages 5-7 .
102-48	Restatements of information	No material restatements for this report
102-49	Changes in reporting	No material changes in reporting
102-50	Reporting period	January 1 to December 31, 2022
102-51	Date of most recent report	2022
102-52	Reporting cycle	Annual
102-53	Contact point for questions regarding the report	Sustainability.developpement_durable@aircanada.ca
102-54	Claims of reporting in accordance with the GRI Standards	This report has been prepared in accordance with the GRI Standards: Core option.
102-55	GRI content index	This report has been completed with a GRI Content Index.
102-56	External assurance	The report summarizes the Corporation's sustainability performance in a transparent and accountable manner. Air Canada engaged a third party to perform an independent limited assurance on selected performance indicators. For more information on the assurance scope and statement, visit www.aircanada.com/citizensoftheworld .
103-1	Explanation of the material topic and its boundary	Refer to Corporate Sustainability at Air Canada, pages 5-7 .
TOPIC-SPECIFIC DISCLOSURES		
Economic Performance		
201	Disclosure on management approach: economic performance	2022 Annual Report, pages 26-96
201-1	Direct economic value generated and distributed	2022 Annual Report, pages 4-6, 27 Refer to Value chain, page 25 .

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GRI Standard	Disclosure	Location
201-2	Financial implications and other risks and opportunities due to climate change	TCFD Report, pages 14-20
201-3	Defined benefit plan obligations and other retirement plans	Refer to Compensation and benefits, page 36 . 2022 Annual Report, pages 135-142
Market Presence		
202-2	Proportion of senior management hired from the local community	All our new senior management hires were in Canada.
Procurement Practices		
204-1	Proportion of spending on local suppliers	Refer to Value chain, page 25
Anti-Corruption		
205	Disclosure on management approach: anti-corruption	Refer to Anti-corruption and fraud prevention, page 23 .
205-1	Operations assessed for risks related to corruption	Refer to Anti-corruption and fraud prevention, page 23 .
205-3	Confirmed incidents of corruption and actions taken	Refer to Anti-corruption and fraud prevention, page 23 .
Anti-Competitive Behaviour		
206	Disclosure on management approach: anti-competitive behaviour	Refer to Competition, page 23 .
206-1	Legal actions for anti-competitive behaviour, antitrust and monopoly practices	No material legal actions that are related to anti-competitive behaviours or practices were reported or identified in 2022.
Tax		
207-4	Country-by-country reporting	2022 Annual Report, pages 144-147
Energy		
302	Disclosure on management approach: energy	Refer to Environmental policy, pages 54-55 , Stakeholder engagement and associations, page 55 , and Leave Less, pages 56-61 .
302-1	Energy consumption within the organization	GRI charts, page 3 See www.leaveless.aircanada.com and Air Canada's annual CDP Climate Change submissions (at www.cdp.net).
302-2	Energy consumption outside of the organization	GRI charts, page 4
302-3	Energy intensity	GRI charts, page 5
302-4	Reduction of energy consumption	GRI charts, page 6 See www.leaveless.aircanada.com and Air Canada's annual CDP Climate Change submissions (at www.cdp.net).
Water and Effluents		
303-1	Interactions with water as a shared resource	GRI charts, page 7 Refer to Water conservation, page 61 .
303-2	Management of water discharge-related impacts	GRI charts, page 8
303-3	Water withdrawal	GRI charts, page 9
Biodiversity		
304-2	Significant impacts of activities, products and services on biodiversity	Refer to Protecting nature and biodiversity, page 62 .
304-3	Habitats protected or restored	Refer to Developments in 2022, page 58 .

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GRI Standard	Disclosure	Location
Emissions		
305	Disclosure on management approach: emissions	Refer to Environmental policy, pages 54-55, and Leave Less, pages 56-61. See www.leaveless.aircanada.com and Air Canada's annual CDP Climate Change submissions (at www.cdp.net).
305-1	Direct (Scope 1) GHG emissions	GRI charts, page 10 See www.leaveless.aircanada.com and Air Canada's annual CDP Climate Change submissions (at www.cdp.net).
305-2	Energy indirect (Scope 2) GHG emissions	GRI charts, page 11 See www.leaveless.aircanada.com and Air Canada's annual CDP Climate Change submissions (at www.cdp.net).
305-3	Other indirect (Scope 3) GHG emissions	GRI charts, page 12 See www.leaveless.aircanada.com and Air Canada's annual CDP Climate Change submissions (at www.cdp.net).
305-4	GHG emissions intensity	GRI charts, page 13 See www.leaveless.aircanada.com and Air Canada's annual CDP Climate Change submissions (at www.cdp.net).
305-5	Reduction of GHG emissions	GRI charts, page 14 See www.leaveless.aircanada.com and Air Canada's annual CDP Climate Change submissions (at www.cdp.net).
Waste		
306-1	Waste generation and significant waste-related impacts	Refer to Less waste, page 60. GRI charts, page 15 www.leaveless.aircanada.com
306-2	Management of significant waste-related impacts	Refer to Less waste, page 60. GRI charts, page 16 www.leaveless.aircanada.com
306-3	Waste generated	GRI charts, page 17 www.leaveless.aircanada.com
306-4	Waste diverted from disposal	GRI charts, page 18 Refer to Less waste, page 60. www.leaveless.aircanada.com
306-5	Waste directed to disposal	GRI charts, page 19 www.leaveless.aircanada.com
Environmental Compliance		
307	Disclosure on management approach: environmental compliance	Refer to Environmental policy, pages 54-55.
307-1	Non-compliance with environmental laws and regulations	No significant fines or non-monetary sanctions for non-compliance with environmental laws and/or regulations in 2022
Employment		
401	Disclosure on management approach	Refer to Our People, pages 27-52.
401-1	New employee hires and employee turnover	GRI charts, page 20

GRI Content Index | UN Sustainable Development Goal

GRI Standard	Disclosure	Location
Labor/Management Relations		
402-1	Minimum notice period regarding operational changes	Notice periods depend on any statutory and/or contractual requirements that are applicable to employees in different jurisdictions. For instance, the Canada Labour Code, which applies to most Air Canada employees, requires 120 days' notice of technological change affecting the employment of a significant number of employees. Policies and collective agreements applicable to Canadian-based employees must respect this minimum but can be supplemented by Air Canada or in collective agreements. For example, the collective agreement with maintenance and ramp employees also contains a technological change provision. The Canada Labour Code also require notice and engagement with employee representatives and/or unions in case of layoffs that exceed a certain scale, and the layoff process in all Canadian collective agreements effectively provides notice of pending changes. Certain collective agreements also create notice requirements for matters of particular concern to the employees to whom they apply, for example, in the case of outsourcing of maintenance and related work or the introduction of a new type of aircraft; the pilots' collective agreement also contains notice provisions concerning mergers or a change in control of the company.
Occupational Health and Safety		
403	Disclosure on Management Approach - Occupational Health and Safety	Refer to Safety First, Always, pages 28-30 , and With care and class, pages 31-32 .
403-1	Occupational health and safety management system	Refer to Safety First, Always, pages 28-30 , and With care and class, pages 31-32 .
403-2	Hazard identification, risk assessment and incident investigation	Refer to Safety First, Always, pages 28-30 , and With care and class, pages 31-32 .
403-3	Occupational health services	Refer to Safety First, Always, pages 28-30 , and With care and class, pages 31-32 .
403-4	Worker participation, consultation and communication on occupational health and safety	GRI Charts, page 21
403-5	Worker training on occupational health and safety	Refer to Safety First, Always, pages 28-30 , With care and class, pages 31-32 , and Training, page 33 .
403-6	Promotion of worker health	Refer to Safety First, Always, pages 28-30 , With care and class, pages 31-32 , Training, page 33 , and Employee wellness, pages 34-35 .
403-7	Prevention and mitigation of occupational health and safety impacts that are directly linked by business relationships	Refer to Supplier Code of Conduct, page 22 .
403-9	Work-related injuries	GRI Charts, pages 22-23
Training and Education		
404-1	Average hours of training per year per employee	GRI charts, page 24
404-2	Programs for upgrading employee skills and transition assistance programs	Refer to Programs for experienced employee, page 39 .
404-3	Percentage of employees receiving regular performance and career development reviews during the reporting period	GRI charts, page 25
Diversity and Equal Opportunity		
405-1	Diversity of governance bodies and employees (Results are based on an employee questionnaire, whose completion percentage varies from year to year. The reporting on "Minority"; "Persons with disabilities"; and "Indigenous" are based on self-identification.)	GRI charts, page 26 Refer to Diversity, equity and inclusion, pages 40-44
405-2	Ratio of basic salary and remuneration of women to men	For the majority of Air Canada employees, basic salary is determined by collective agreements. Where there are no collective agreements, a performance-based culture where salaries are based on job descriptions and classifications and are, ultimately, tied to individual and collective performance and targets determines compensation. The ratio of basic salary remuneration of women to men is one.

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GRI Standard	Disclosure	Location
Human Rights Assessments		
412-3	Human rights	Refer to Human rights, page 25 .
Local Communities		
413-1	Operations with local community engagement, impact assessments and development programs	Refer to Service for community and beyond, pages 48-49 , Humanitarian relief, page 50 , Employee citizenship, page 52 , and Charitable donations, page 52 .
413-2	Operations with significant actual and potential negative impacts on local communities	Refer to Our business, pages 16-26 , Service for community and beyond, pages 48-49 , Humanitarian relief, page 50 , and Charitable donations, page 52 .
Customer Health and Safety		
416	Disclosure on management approach: customer health and safety	Refer to Safety First, Always, pages 28-30 , and With care and class, pages 31-32 .
416-2	Incidents of non-compliance concerning the health and safety impacts of products and services	GRI charts, page 27
Marketing and Labeling		
417	Disclosure on management approach	The Brand team is responsible for leveraging the optimal mix of advertising, sponsorship and activation initiatives to defend and extend Air Canada's differentiated brand position, build client loyalty and appeal, contribute to business results and positively engage employees. Various measurement tools and metrics are used to ensure a maximum return on investment of marketing initiatives, like consumer sentiment research, brand equity measurement and customer engagement and conversion. The Marketing Communications department leads the vision for enterprise-wide marketing including appropriate extension to point-of-sale U.S. and point-of-sale international markets, as well as full integration of marketing assets within various branches to ensure a maximum return on investment and full capitalization on all business development opportunities.
417-3	Incidents of non-compliance concerning marketing communications	GRI charts, page 28
Customer Privacy		
418	Disclosure on management approach: customer privacy	Refer to Privacy and cybersecurity, page 24 , Privacy and cybersecurity training and awareness, page 24 , and Cybersecurity and Privacy Awareness Month, page 24 . Air Canada and Aeroplan Privacy policies
418-1	Substantiated complaints concerning breaches of customer privacy and losses of customer data	GRI charts, page 29
Socioeconomic Compliance		
419-1	Non-compliance with laws and regulations in the social and economic area	No significant fines in 2022
Communities		
N/A	Charitable giving	GRI charts, page 30 Refer to Service for community and beyond, pages 48-49 .



UN SUSTAINABLE DEVELOPMENT GOAL 	REFERENCE	GRI INDICATOR	METRICS
	<p>Refer to Human Rights, page 25, Service for community and beyond, pages 48-49, and Food Security, page 50</p> <p><u>Aeroplan Member Donation Program</u></p> <p><u>Air Canada Foundation</u></p> <p>Charitable Givings chart</p>	413-2	<ul style="list-style-type: none"> In 2022, the Air Canada Foundation raised \$1.4 million and dispersed close to \$1.6 million to support close to 285 charities through financial and in-kind donations Since its inception in 2006, over 1.6 billion points have been donated by Aeroplan and its members, which have helped support more than 1,400 causes.
	<p>Refer to Service for community and beyond, pages 48-49, Food Security, page 50, and Employee citizenship, page 52</p> <p><u>Aeroplan Member Donation Program</u></p> <p><u>Air Canada Foundation</u></p> <p>Charitable Givings chart</p>	413-2	<ul style="list-style-type: none"> In 2022, Air Canada donated surplus food to Second Harvest Canada through the Food Rescue App and their direct service redistribution efforts: close to 80,000 meals reached 12 not-for-profit agencies in nine cities across Canada. Summer 2022: 175,000 healthy and kid-friendly food packs for kids that depend on in-school meal programs were distributed to over 190 communities across the country.
	<p>Refer to Sustainability mission statement, page 8, Achievements and initiatives, pages 11-13, Enterprise risk management, page 23, Value Chain, page 25, and Our People, pages 27-52</p> <p><u>Air Canada Safety Policy</u></p> <p><u>Air Canada Foundation</u></p> <p>Charitable Givings chart</p> <p><u>Air Canada Code of Conduct</u></p> <p><u>Supplier Code of Conduct</u></p> <p><u>Modern Slavery and Human Trafficking Statement</u></p> <p><u>Air Canada Leave Less</u></p> <p><u>Air Canada Environmental Policy</u></p> <p>AbilitiCBT</p>	305-1 306-3 305-2 306-4 305-3 306-5 306-1 403-6 306-2 403-9	<ul style="list-style-type: none"> 2023 Target: 7% reduction of Lost Time Injuries (per 10,000 flights) Lost Time Injuries (LTI)- per 10,000 flights decreased by 7.04% from 48.44 in 2021 to 45.03 in 2022 (Air Canada mainline) Safety vigilance: in 2022, regulatory training was offered to over 11,000 newly hired employees The biannual Safety Culture and Pulse survey that is distributed to all employees was completed in November 2022 with record participation 285 charities supported in 2022 with over \$1.6 million disbursed to 41 organizations that focus on the health and well-being of children UBY's social media: 740,159 views in 2022 Virtual counselling: 91% of users reported that AbilitiCBT helped reduce their mental health symptoms
	<p>Refer to Responsible business conduct, policies and practices, page 23, Value Chain, page 25, Training, page 33, and Talent recruitment, training and development, page 38</p> <p><u>Air Canada Safety Policy</u></p> <p><u>Air Canada Foundation</u></p> <p><u>Air Canada Code of Conduct</u></p>	404-1	<ul style="list-style-type: none"> 2022: a total of 2,123,460 hours of training (Air Canada, Air Canada Rouge and Air Canada Vacations) Air Canada offers 100% tuition fee reimbursement to permanent employees who are pursuing career-related studies at recognized educational institutions From January 2022 to May 2023, 539 Air Canada public contact employees, such as cabin crew, airport and contact centres, and management employees, received over total of 10,000 hours of language training

UN SUSTAINABLE DEVELOPMENT GOAL 	REFERENCE	GRI INDICATOR		METRICS
	Refer to Ethical business practices, page 22, and Talent recruitment, training and development, page 38 <u>Air Canada Code of Conduct</u> <u>Supplier Code of Conduct</u>	401-1 404-1 404-3		<ul style="list-style-type: none"> At the end of 2022, the representation of women within the Board and at executive levels was 33% and 27%, respectively. The representation of women within the Board is currently 38%, following Air Canada's 2023 Annual Meeting of Shareholders, 2025 target: 40% women representation at Board level
	Refer to Water conservation, page 61 <u>Air Canada Leave Less</u> <u>Air Canada Environmental Policy</u> <u>Supplier Code of Conduct</u>	303-1 303-2 303-3 303-4	306-1 306-2 306-3 306-5	<ul style="list-style-type: none"> Under our Water Conservation Program, we performed an audit of our water consumption on board some aircraft and various flights, supported by in-flight service director volunteers, and measured and tracked our water withdrawal in the Canadian facilities that we own.
	Refer to Achievements and initiatives – Our Planet, page 13, and Leave Less, pages 56-61 <u>Air Canada Leave Less</u> <u>Air Canada Environmental Policy</u> <u>Supplier Code of Conduct</u>	302-1 302-2 302-3 302-4		<ul style="list-style-type: none"> Net-zero ambition by 2050 through a series of five-year plans 20% GHG net reductions from air operations by 2030 compared to our 2019 baseline 30% GHG net reductions from ground operations by 2030 compared to our 2019 baseline \$50M investment in sustainable aviation fuels (SAF), as well as carbon reductions and removals 2022: Total gross direct GHG emissions was 9,513,174 (tCO₂e) compared to 13,205,187 (tCO₂e) in 2019 2022: Total gross energy indirect GHG emissions was 8,705 (tCO₂e) compared to 10,489 (tCO₂e) in 2019 2022: 86,427 GJ of total fuel consumption from renewable sources Investment of US\$5 million (~C\$7 million) in electric hybrid aircraft by Swedish group Heart Aerospace
	Refer to Our Business, pages 16-26, and Our People, pages 27-52 <u>2022 Annual Report</u> <u>Modern Slavery and Human Trafficking Statement</u> <u>Air Canada Code of Conduct</u> <u>Supplier Code of Conduct</u>	201-1 302-1 302-2 302-3 302-3 302-4 306-2 401-1 402-1 403-1	403-2 403-3 403-4 403-5 403-7 403-9 404-1 404-3 405-2	<ul style="list-style-type: none"> Total of employees: over 36,000 Over 12,000 employees hired globally All new senior management hires were in Canada In 2022, Air Canada contributed \$131 million to its employee pension plans

UN SUSTAINABLE DEVELOPMENT GOAL 	REFERENCE	GRI INDICATOR	METRICS	
	<p>Refer to Sustainable culture, page 10, Our Business, pages 16-26, With care and class, pages 31-32, and Our Planet, pages 53-63</p> <p>See where Air Canada flies</p> <p>Air Canada Leave Less</p> <p>Air Canada Environmental Policy</p> <p>Supplier Code of Conduct</p> <p>2022 Annual Report</p>	201-1	<ul style="list-style-type: none"> Average daily flights in 2022: 945 destinations in 2022: 185 direct destinations on 6 continents Customers: over 36 million Investment of US\$5 million (~C\$7 million) in electric hybrid aircraft by Swedish group Heart Aerospace 	
	<p>Refer to Governance, page 20, and Our People, pages 27-52</p> <p>Air Canada Code of Conduct</p> <p>Supplier Code of Conduct</p> <p>Modern Slavery and Human Trafficking Statement</p> <p>Accessibility Commitment</p> <p>Board Diversity Policy</p> <p>Employee Resource Groups (ERGs)</p>	401-1 404-1 404-3	<ul style="list-style-type: none"> 2025 target: 3.5 per cent of executive and board roles based in Canada be held by Black leaders Of our 13 members of the Air Canada Board of Directors, five are women, two are members of a visible minority, and one is Black Based on self-identification, four vice presidents have self-identified as women, one as living with a disability, four as members of visible minorities and none have self-identified as Indigenous. As at December 31, 2022, out of 27 vice presidents, 26 have elected to self-identify. ERGs: five with 461 members 	
	<p>Refer to Value Chain, page 25, Safety First, Always, pages 28-30, Service for community and beyond, pages 48-49, and Our Planet pages 53-63</p> <p>See where Air Canada flies</p> <p>Air Canada Leave Less</p> <p>Air Canada Environmental Policy</p> <p>Supplier Code of Conduct</p> <p>Air Canada Foundation</p> <p>Accessibility Commitment</p>	306-1 306-2 306-3 306-4 306-5	<ul style="list-style-type: none"> Net-zero goal by 2050 through a series of five-year plans 20% GHG net reductions from air operations by 2030 compared to our 2019 baseline 30% GHG net reductions from ground operations by 2030 compared to our 2019 baseline \$50M investment in sustainable aviation fuels (SAF), as well as carbon reductions and removals We operate throughout Canada and in 51 countries and serve our customers in more than 20 route languages on our network, thanks to the diverse linguistic abilities of our workforce. 	
	<p>Refer to Achievements and initiatives, pages 11-13, Fleet renewal, page 17, Value Chain, page 25, Leave Less, pages 56-61, and Do More – Protecting nature and biodiversity, page 62</p> <p>GRI Content Index</p> <p>Air Canada Leave Less</p> <p>Air Canada Environmental Policy</p> <p>Air Canada's CDP response</p> <p>Supplier Code of Conduct</p>	302-1 302-2 302-3 302-4 303-1 305-1 305-2	305-3 306-1 306-2 306-3 306-4 306-5	<ul style="list-style-type: none"> Air Canada diverted 89,000 uniforms from landfill since in 2018 2022: Total gross direct GHG emissions was 9,513,174 (tCO₂e) compared to 13,205,187 (tCO₂e) in 2019 2022: Total gross energy indirect GHG emissions was 8,705 (tCO₂e) compared to 10,489 (tCO₂e) in 2019 2022: Air Canada donated surplus food to Second Harvest Canada through the Food Rescue App and their direct service redistribution efforts: close to 80,000 meals were served and over 103,000 kilograms of GHGs were diverted from landfill. These food donations reached 12 not-for-profit agencies in 9 cities across Canada.

UN SUSTAINABLE DEVELOPMENT GOAL 	REFERENCE	GRI INDICATOR		METRICS
	<p>Refer to Reporting framework, page 4, Sustainability mission statement, page 8, A message from the President and CEO, page 9, Achievements and initiatives – Our Planet, page 13, and Our Planet, pages 53-63</p> <p><u>2022 Annual Report</u></p> <p><u>Air Canada Leave Less</u></p> <p><u>Air Canada Environmental Policy</u></p> <p><u>Air Canada's CDP response</u></p>	302-1 302-2 302-3 302-4 305-1	305-2 305-3 305-4 305-5	<ul style="list-style-type: none"> Net-zero goal by 2050 through a series of five-year plans 20% GHG net reductions from air operations by 2030 compared to our 2019 baseline 30% GHG net reductions from ground operations by 2030 compared to our 2019 baseline \$50M investment in sustainable aviation fuels (SAF), as well as carbon reductions and removals 2022: Total gross direct GHG emissions was 9,513,174 (tCO₂e) compared to 13,205,187 (tCO₂e) in 2019 2022: Total gross energy indirect GHG emissions was 8,705 (tCO₂e) compared to 10,489 (tCO₂e) in 2019
	<p>Refer to Value chain, page 25, and Water conservation, page 61</p> <p><u>Air Canada Leave Less</u></p> <p><u>Air Canada Environmental Policy</u></p>	305-1 305-2 305-3	305-4 305-5	<ul style="list-style-type: none"> 2022: our year-long collaboration with Fill it Forward continued with a new activity for employees. Three new kelp reforestation projects, also coined "seeforestation," were spearheaded by Ocean Wise, a globally focused conservation organization that is on a mission to restore and protect our oceans.
	<p>Refer to Cargo, page 19, Value Chain, page 25, Developments in 2022, page 58, and Protecting nature and biodiversity, page 62</p> <p><u>Air Canada Leave Less</u></p> <p><u>Air Canada Environmental Policy</u></p>	306-3 306-5 305-1 305-2	305-3 305-4 305-5	<ul style="list-style-type: none"> Air Canada expanded its urban beehive initiative in 2023, helping bolster the ecosystem to have a total of 5 beehives: Montréal headquarters and at our sites in Toronto, Halifax, Vancouver and Calgary. At peak summer, it is estimated each hive can have as many as 100,000 bees. 200 trees and shrubs were planted alongside community members by employees and their children in Toronto Partners in Project Green. Air Canada is a signatory of the Buckingham Palace Declaration, a landmark agreement of 11 commitments designed to remove the vulnerabilities in transportation and stop the illegal wildlife trade.
	<p>Refer to A message from the President and CEO, page 9, Sustainable culture, page 10, Governance, page 20, Value Chain, page 25, Diversity, equity and inclusion, pages 40-44, and Leave Less, pages 56-61</p> <p><u>Air Canada Code of Conduct</u></p> <p><u>Supplier Code of Conduct</u></p> <p><u>Modern Slavery and Human Trafficking Statement</u></p> <p><u>Air Canada Foundation</u></p>	205-1 205-3 206-1 307-1 403-4	403-9 416-2 417-3 418-1 419-1	<ul style="list-style-type: none"> In 2022, no material anti-corruption risk incidents were reported or identified. Air Canada renews its Modern Slavery and Human Trafficking Statement All Air Canada and Air Canada Rouge flight attendants are trained on modern slavery and human trafficking awareness and on how to recognize and report suspicious behaviour. The Illegal Wildlife Trafficking (IWT) e-learning training module is mandatory for all frontline employees and operational managers at Air Canada Cargo.

UN SUSTAINABLE DEVELOPMENT GOAL 	REFERENCE	GRI INDICATOR	METRICS
	<p>Refer to Reporting Framework, page 4, Cargo, page 19, Value Chain, page 25, Associations, page 30, Diversity, equity and inclusion – Highlights, pages 42-44, Environmental Management System, page 54, Stakeholder engagement and associations, page 55, Developments in 2022, page 58, and Water conservation, page 61.</p> <p>Supplier Code of Conduct</p> <p>Modern Slavery and Human Trafficking Statement</p> <p>Air Canada Foundation</p>	<p>102-13</p> <p>102-40</p> <p>102-43</p>	<ul style="list-style-type: none"> • Air Canada is a leading and engaged member IATA, ICAO, Airlines for America (A4A), National Airlines Council of Canada (NACC), the Aviation Safety Information Analysis and Sharing (ASIAS) system, and Sustainability & Environment Advisory Council (SEAC) • Air Canada is Parity Certified with Women in Governance • Air Canada is a signatory to the BlackNorth Initiative CEO Pledge • Air Canada supported over 250 community organizations in 2022, and over 300 events, initiatives or memberships across Canada and internationally • Air Canada Foundation supported 285 charitable organizations across Canada • In 2022, Air Canada participated in 20 investor conferences and hosted over 150 engagements with investors.