

## INDEPENDENT LIMITED LEVEL ASSURANCE REPORT

### To the Board of Directors and Management of Air Canada

We have undertaken a limited level assurance engagement in relation to selected performance indicators reported by Air Canada in their 2017 Corporate Sustainability Report and in their 2017 Global Reporting Initiative (“GRI”) table (the “Report”) for the year ended December 31, 2017.

### Our responsibilities

Our assurance engagement has been planned and performed in accordance with the following international standards published by the International Federation of Accountants:

- ▶ Canadian Standard for Assurance Engagements (“CSAE”) 3000, Assurance Engagements Other Than Audits or Reviews of Historical Financial Information, (together, “CSAE 3000”); and,
- ▶ CSAE 3410, Assurance Engagements on Greenhouse Gas Statements, (together, “CSAE 3410”).

### Scope of our engagement

The selected performance indicators (collectively, the “Indicators”) to be assured at a limited level are as follows:

- ▶ Health and Safety, for Air Canada mainline:
  - 403-2 – Total injuries in 2017: **5 208 injuries**
  - 403-2 – Total lost time injuries in 2017: **863 injuries**
  - 403-2 – Total lost time injury days in 2017: **34 348 days**
- ▶ Environment, for Air Canada mainline, Air Canada Vacations and Air Canada Rouge :
  - 302-1 – Energy consumption inside of the organisation in 2017: **177 604 808 GJ**
  - 305-1 – Direct greenhouse gas (GHG) emissions (Scope 1) in 2017: **12 205 420 tCO<sub>2</sub>e**
  - 305-2 – Indirect greenhouse gas (GHG) emissions (Scope 2) in 2017: **19 748 tCO<sub>2</sub>e**
- ▶ Privacy, for Air Canada mainline and Air Canada Rouge:
  - 418-1 – Complaints received in 2017 from outside parties and substantiated by the organization: **13 substantiated complaints**

The limited assurance engagement in relation to 403-2, 302-1 and 418-1 was carried out in accordance with CSAE 3000. The limited assurance engagement in relation to 305-1 and 305-2 was carried out in accordance with CSAE 3410.

### Criteria

The criteria used to evaluate the Indicators consisted of the relevant guidance contained within the GRI Standards, as well as criteria developed internally by Air Canada.

The relevant guidance contained in the Greenhouse Gas Protocol Corporate Accounting and Reporting Standard (“GHG Protocol”) was used as an additional criterion to evaluate 305-1 and 305-2.

### Air Canada’s management responsibilities

The Report was prepared by the management of Air Canada, who are responsible for the collection and preparation of the Indicators in the Report and the selection of the criteria used in determining that the information is appropriate for the purpose of disclosure in the Report. In addition, management is responsible for maintaining adequate records and internal controls that are designed to support the reporting process. Moreover, Air Canada is responsible for the maintenance and integrity of its website. There are currently no legislative or regulatory requirements requiring Air Canada to prepare, publish or have verified the Report. The quantification of GHG emissions is subject to inherent uncertainty because of

incomplete scientific knowledge used to determine emissions factors and the values needed to combine emissions of different gases.

### **Level of assurance**

Our procedures were designed to obtain a limited level of assurance on which to base our conclusions. The procedures conducted do not provide all the evidence that would be required in a reasonable assurance engagement and, accordingly, we do not express a reasonable level of assurance. While we considered the effectiveness of management's internal controls when determining the nature and extent of our procedures, our assurance engagements were not designed to provide assurance on internal controls and, accordingly, we express no conclusions thereon.

### **Work performed**

The procedures we undertook to form our conclusion in relation to the above Indicators included, but were not limited to:

- ▶ Interviewing selected personnel to understand the key issues related to the data and processes for the collection and accurate reporting of the Indicators
- ▶ Where relevant, performing walkthroughs of systems and processes for data aggregation and reporting
- ▶ Inquiring of management regarding key assumptions and the evidence to support the assumptions
- ▶ Validating the accuracy of calculations performed, on a sample basis, primarily through inquiry, analytical procedures, and recalculations
- ▶ Validating the accuracy of calculations performed through analytical assessments;
- ▶ Validating that data and statements had been correctly transcribed from corporate systems and/or supporting evidence into the Report through observation

### **Limitations of our work performed**

Our procedures did not include providing conclusions in relation to:

- ▶ The completeness or accuracy of data sets or information relating to areas other than the Indicators
- ▶ Information reported by Air Canada other than in its Report
- ▶ Management's forward looking statements
- ▶ Any comparisons made by Air Canada against historical data
- ▶ The Report being in accordance with the requirements of the Core option of the GRI Standards
- ▶ The appropriateness, sufficiency or completeness of definitions for internally developed criteria

### **Conclusions**

Subject to the limitations of our scope noted above, and based on our work, nothing has come to our attention that causes us to believe that the Indicators are not, in all material respects, fairly presented in accordance with the GRI Standards, the GHG Protocol and internally developed criteria.



October 30<sup>th</sup>, 2018  
Montreal, Canada

<sup>1</sup> CPA auditor, CA, public accountancy permit no. A109499