

INDEPENDENT PRACTITIONER'S LIMITED ASSURANCE REPORT

Scope of our limited assurance engagement

To the Board of Directors and Management of Air Canada:

We have undertaken a limited assurance engagement of the selected performance indicators reported by Air Canada in their 2018 Corporate Sustainability Report and in their 2018 Global Reporting Initiative (“GRI”) table (the “Report”) for the year ended December 31, 2018.

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 2018: **5 850 injuries**
 - 403-2 – Total lost time injuries in 2018: **1 057 injuries**
 - 403-2 – Total lost time injury days in 2018: **37 946 days**
- ▶ Environment, for Air Canada mainline, Air Canada Vacations and Air Canada Rouge :
 - 302-1 – Energy consumption inside of the organisation in 2018: **187 201 761 GJ**
 - 305-1 – Direct greenhouse gas (GHG) emissions (Scope 1) in 2018: **12 870 926 tCO₂e**
 - 305-2 – Indirect greenhouse gas (GHG) emissions (Scope 2) in 2018: **14 303 tCO₂e**
- ▶ Privacy, for Air Canada mainline, Air Canada Vacations and Air Canada Rouge :
 - 418-1 – Complaints received in 2018 from outside parties and substantiated by the organization: **50 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.

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 assured 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.

Our Independence and Quality Control

We have complied with the independence and other ethical requirements of the *Code of Ethics for Professional Accountants* issued by the International Ethics Standards Board for Accountants, which is founded on fundamental principles of integrity, objectivity, professional competence and due care, confidentiality and professional behavior.

The firm applies International Standard on Quality Control 1 and accordingly maintains a comprehensive system of quality control including documented policies and procedures regarding compliance with ethical requirements, professional standards and applicable legal and regulatory requirements.



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Our responsibilities

Our responsibility is to express a limited assurance conclusion on the selected performance indicators based on the procedures we have performed and the evidence we have obtained. We conducted our limited assurance engagement 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”).

Our procedures were designed to obtain a limited level of assurance on which to base our conclusions. The procedures performed in a limited assurance engagement vary in nature and timing from, and are less in extent than for, a reasonable assurance engagement. Consequently, the level of assurance obtained in a limited assurance engagement is substantially lower than the assurance that would have been obtained had we performed a reasonable assurance engagement. 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.

The procedures we performed were based on our professional judgment and 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

Conclusion on limited assurance

Based on the procedures we have performed and the evidence we have obtained, nothing has come to our attention that causes us to believe that the Indicators for the year ended December 31, 2018 are not prepared, in all material respects, in accordance with the GRI Standards, the GHG Protocol and internally developed criteria.

Ernst & Young LLP¹

May 31, 2019
Montreal, Canada

¹ CPA auditor, CA, public accountancy permit no. A118785