



CITIZENS OF THE WORLD

2019
CORPORATE
SUSTAINABILITY
REPORT

AIR CANADA
A STAR ALLIANCE MEMBER



A message from Calin Rovinescu, PRESIDENT AND CHIEF EXECUTIVE OFFICER

I have always said that the airline industry is extraordinarily complex, affected by virtually everything going on in the world. This is truer today than ever before. We are now living in one of the darkest periods in the history of commercial aviation. We cannot ignore the severity and abruptness of COVID-19's impact upon Air Canada and the global airline industry, which so rapidly decimated air traffic demand around the world in a matter of weeks.

The decisions we have made over the past 10 years, however, are demonstrating their value during these unprecedented times, as we are now being put to the test. It is evident that we have built a strong and sustainable global organization that will allow us to transcend this severe turbulence.

This pandemic has had a significant impact on our employees, customers, communities, and other stakeholders. Throughout our history, even when the news is bad, we have remained committed to balancing the interests of our stakeholders while ensuring the survival and sustainability of our company. I genuinely believe our strong culture and engagement during this pandemic will serve us well for years to come.

I am pleased to present our 2019 Corporate Sustainability Report available at www.aircanada.com/citizensoftheworld. Throughout our report, we share our collective achievements of 2019, which, while they appear distant under the current circumstances, should be outlined, nonetheless. The report offers a holistic view of our sustainability efforts and their impact on the communities we serve. You will find updates related to our three new sustainability pillars – Our Business, Our People, Our Planet – and detailed evidence that clearly shows that we are having a positive impact on the issues that matter most.

You will read more about the strength of our culture and our unwavering commitment to our core value, Safety First, Always, consistently the fundamental pillar to our sustainable future, together with the strong

relationships we have with our major union groups. Our culture has once again been recognized as we have been named one of Canada's Top 100 Employers for the seventh consecutive year and awarded as one of Canada's Best Diversity Employers for the fourth consecutive year.

At a time when our world is seeking solutions to sustainability issues, including global warming, we remain committed to doing our part to reduce our environmental footprint by "leaving less and doing more". Our operational improvements focus on producing less carbon, using less energy, and creating less waste and noise – to reduce our impact and leave less of an environmental footprint. Over time, we have worked together with our employees, customers and communities and have developed a series of environmental initiatives, such as the ocean clean-up efforts we accomplished in 2019 in Tampa, Florida and Richmond, British Columbia through a partnership with 4Ocean. This partnership was applauded and earned us recognition as a Top 100 CSR Leader by World Biz Magazine.

We believe that growth and prosperity should not come at the expense of sustainability and we are committed to operating our business responsibly and with integrity for the benefit of future generations.

Please be sure to follow us online and engage with us through social media on Facebook, Twitter, LinkedIn and Instagram or via email at sustainability.developpement_durable@aircanada.ca as we continue to share important sustainability announcements, stories and updates.

Calin Rovinescu

Access the report



aircanada.com

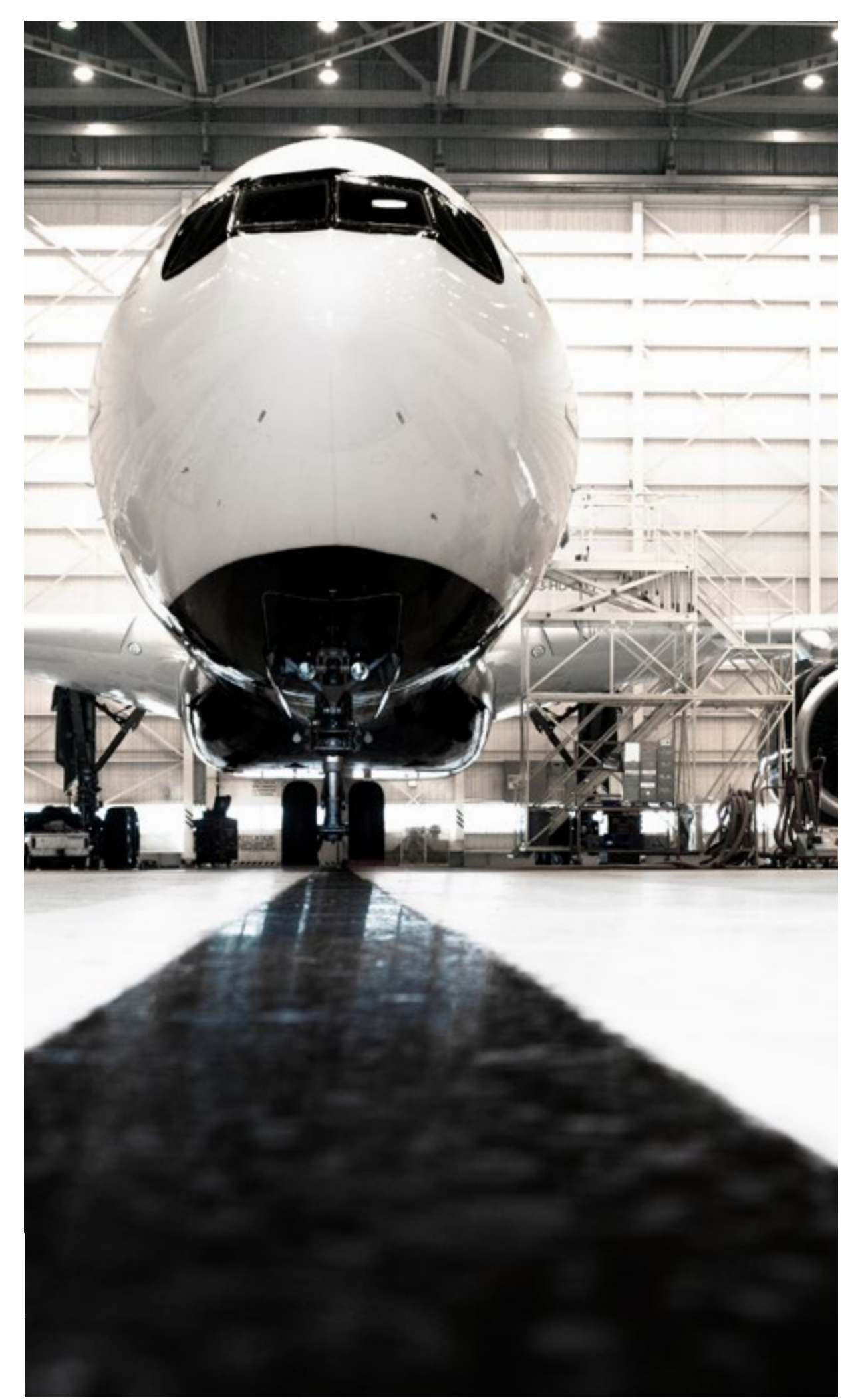


Achievements

Air Canada is proud of the progress on its objectives and other achievements and presents the following as highlights:

BUSINESS

- Ranked in the top 3% of airlines included in the IATA Operational Safety Audit
- Grew to over 30% of women on Board (as of 2020)
- Important contributor to the travel and tourism sector worldwide, which, in 2019, represented approximately CAN\$102 billion in annual GDP and employed over 1.8 million people in Canada
- Deployed Multifactor Authentication program to Air Canada and Air Canada Rouge employee base
- Implemented the Amadeus Altéa Suite passenger service system (completed in 2020)
- Introduction of Airbus A220, expected to average 20% less fuel consumption per seat and emit 20% less CO2 and 50% less Nitrogen Oxide than the aircraft they replace
- Managed the safety risk and hazards associated with the introduction of aircraft, new routes and new initiatives or projects
- Strong privacy action plan
- Joined the United Nations Global Compact (UNGC)



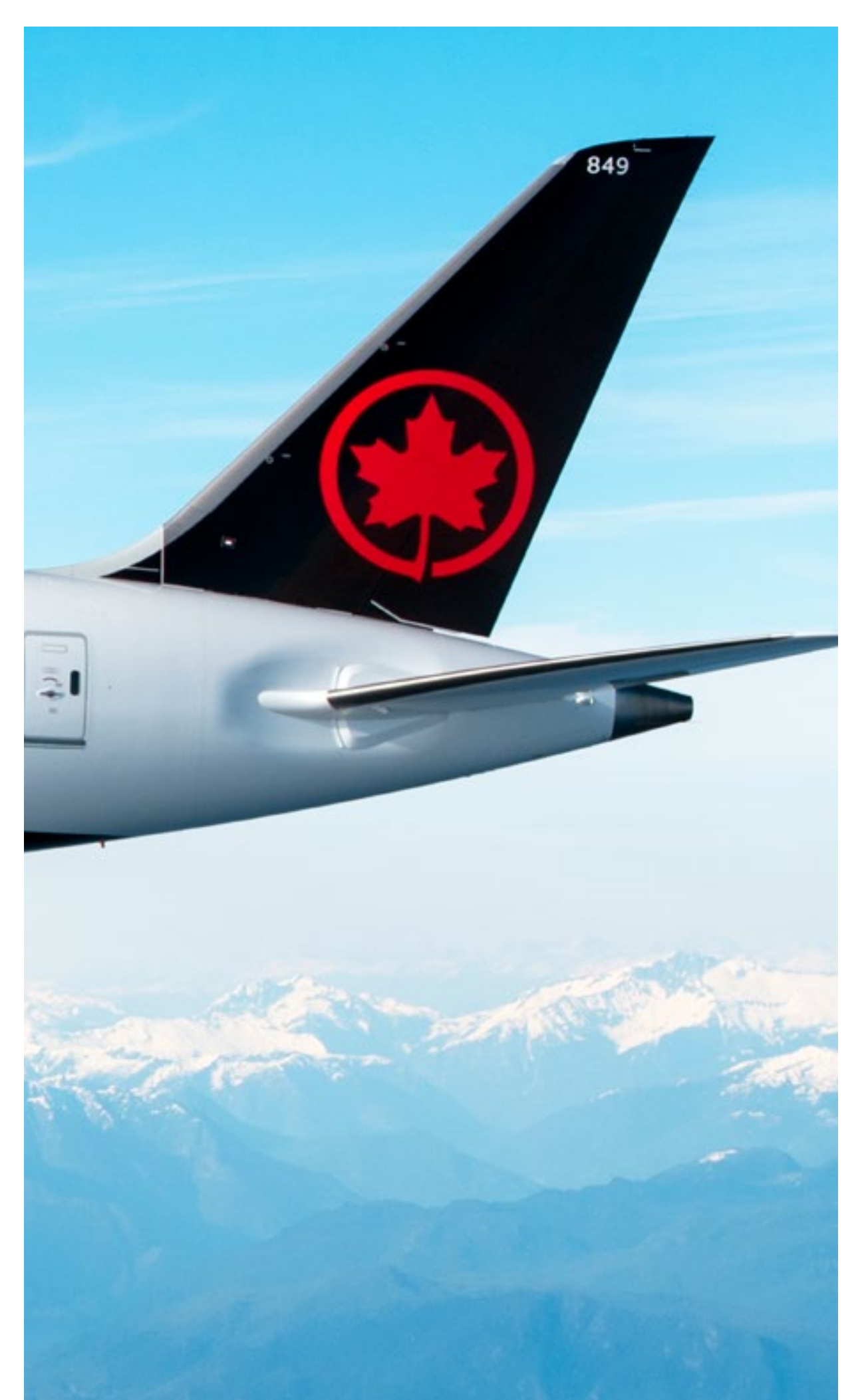
PEOPLE

- Engaged workforce of close to 38,000 employees
- Was recognized as one of Canada's Best Diversity Employers for the fourth consecutive year, named one of Canada's Top 100 employers for the seventh consecutive year
- Supported 315 registered charities through the Air Canada Foundation with more than \$2 million net fundraised for communities we serve and where our people live
- More than 100 million miles donated by Aeroplan and its members for charitable purposes
- Disaster relief aid deployed for Canadian floods and Hurricane Dorian
- Created a change management Centre of Excellence
- Further developed the Emerging Leaders Program
- Implemented community partnerships in support of regional network performance, talent acquisition and socio-economic development



PLANET

- Experienced a 19% improvement in fuel efficiency between 2009 and 2019
- On target to meet the annual 1.5% fuel efficiency improvement by end of 2020
- Progressed on work towards carbon-neutral growth in 2020 for international aviation (through CORSIA)
- Continued to support for development of lower carbon Sustainable Aviation Fuels (SAF) in Canada
- Continued to act on the 2020 Corporate Waste Strategy through the following:
 - Single-Use Plastics Reduction Program: in 2019, Air Canada successfully removed 38.2M pieces of single-use plastics from onboard
 - Expansion of the collection and recycling process in certain Maple Leaf Lounges
 - Centralization of waste infrastructure at Montréal Headquarters
 - Continuous improvement audits to the Onboard Domestic Recycling Program: achieved 2020 recycling efficiency target in 2019



A few key facts

Over **30% WOMEN ON BOARD**

Strong SAFETY RECORD

Over **\$2M FUNDRAISED FOR COMMUNITIES**



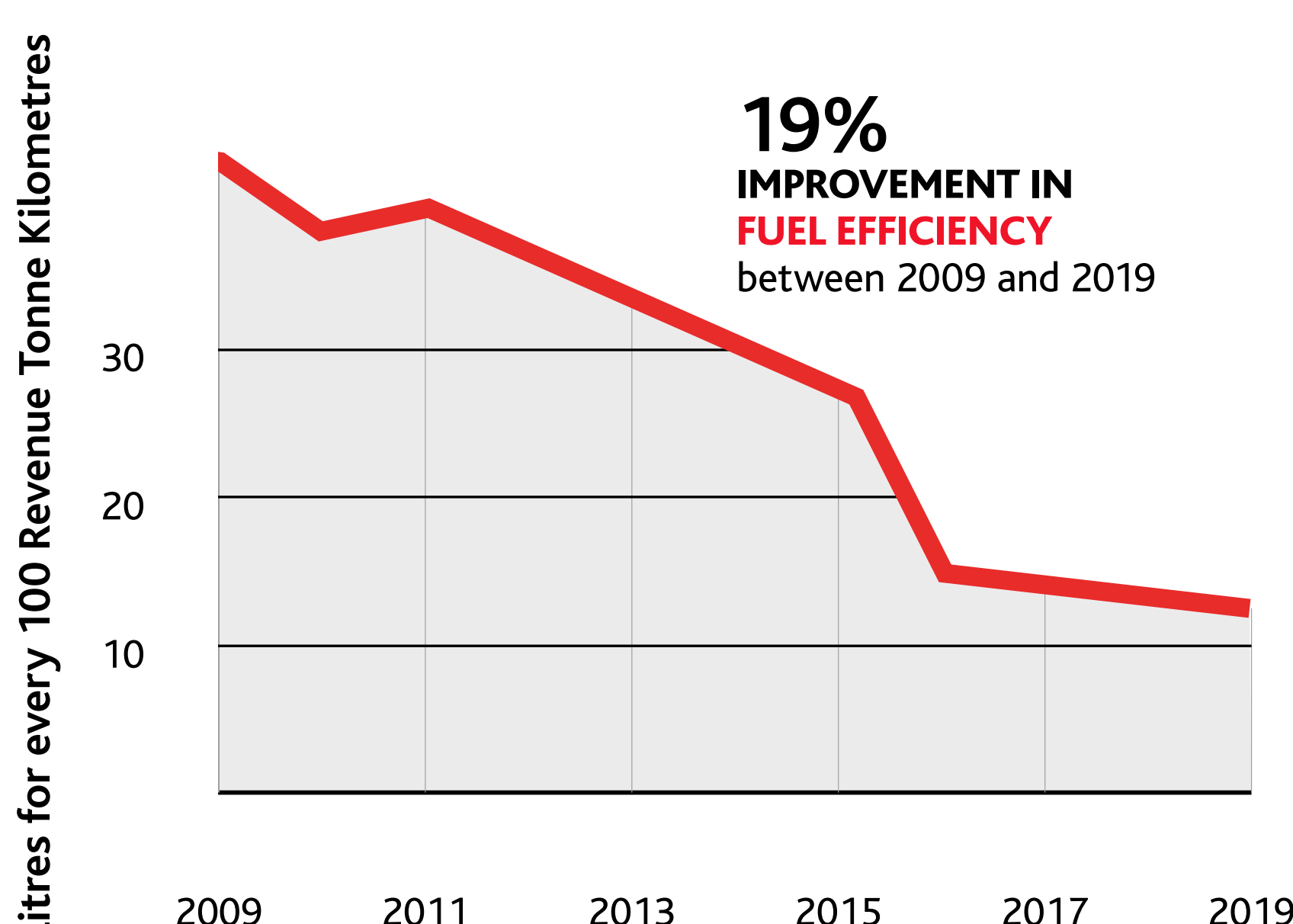
More than **2400 TONNES OF [NON-HAZARDOUS] WASTE DIVERTED FROM LANDFILL**



38.2M pieces of single-use plastic REMOVED ONBOARD IN 2019



19% IMPROVEMENT IN FUEL EFFICIENCY between 2009 and 2019



Awards 2019

