

▪ GENERAL STANDARD DISCLOSURES



Organization Profile

102-1

Name of the organization

Air Canada

102-2

Activities, brands, products, and services

[2018 Annual Report](#), p. 17

[2018 AIF](#), p.3-4

102-3

Location of headquarters

7373 Côte-Vertu Boulevard West

Saint-Laurent, Québec H4S 1Z3

CANADA

102-4

Location of operations

2018 Annual Report, p. 17

2018 AIF, p.3-11

102-5

Ownership and legal form

Corporate Profile: <https://www.aircanada.com/ca/en/aco/home/about/corporate-profile.html>

Corporate Governance: <https://www.aircanada.com/ca/en/aco/home/about/corporate-governance.html>

102-6

Markets served

2018 Annual Report, p.17-23

2018 AIF, p.5-11 & 30-34

102-7

Scale of the organization

2018 Annual Report, p. 2,17, 55-56, 100

2018 AIF, p. 3-4, 12, 20-21, 41-44

102-8

Information on employees and other workers

Through its entire network, in 2018 Air Canada included over 33,000 employees working worldwide. **Please refer to the chart**. Air Canada does not have a substantial portion of the organization's work performed by workers other than employees.

102-9

Supply chain

Citizens of the World 2018 p. 17

102-10

Significant changes to organization and its supply chain

2018 Annual Report, p. 4-7, p. 17

2018 Annual Information Form, p.3-4, 7-11

102-11

Precautionary Principle or approach

Air Canada has an enterprise risk management process which follows the precautionary principle or approach.

102-12

External initiatives

Citizens of the World 2018, p. 30

Citizens of the World 2018, p. 32

102-13

Memberships of associations

Citizens of the World 2018, p. 10

Air Canada is a founding member of the Star Alliance® network. Through the 28-member airline network, Air Canada offers its customers access to 1,317 destinations in 193 countries, as well as reciprocal participation in frequent flyer programs and the use of airport lounges and other common airport facilities.

Air Canada Vacations engages with the Travel Industry Council of Ontario (TICO) and the Office de la protection du consommateur.

Strategy

102-14

Statement from senior decision maker

Citizens of the World 2018, p. 3

102-15

Key impacts, risks, and opportunities

Key risks are described in the 2018 Management's Discussion and Analysis of Results of Operations and Financial Condition (February 15, 2019) available at <https://www.aircanada.com/ca/en/aco/home/about/investor-relations.html>.

Ethics and Integrity

102-16

Values, principles, standards and norms of behaviour

Citizens of the World 2018, p. 11. The Code is available at <https://www.aircanada.com/ca/en/aco/home/about/corporate-governance/corporate-policy.html>

Governance

102-18

Governance structure

Citizens of the World 2018, p. 9

Stakeholder Engagement

102-40

List of stakeholder groups

[**Citizens of the World 2018**](#), p. 9

102-41

Collective bargaining agreements

[**Citizens of the World 2018**](#), p. 38

102-42

Identifying and selecting of stakeholders

[**Citizens of the World 2018**](#), p. 2

102-43

Approach to stakeholder engagement

[**Citizens of the World 2018**](#), p. 9

102-44

Key topics and concern raised

[**Citizens of the World 2018**](#), p. 9

Reporting Practice

102-45

Entities included in the consolidated financial statements

[**2018 Annual Report**](#), p. 15

2018 AIF, 2-3

102-46

Defining the report content and topic Boundaries

[**Citizens of the World 2018**](#), p. 2

102-47

List of material topics

[**View Air Canada's materiality matrix**](#)

102-48

Restatements of information

No material restatements for this report.

102-49

Changes in reporting

Air Canada included a 2018 Corporate Sustainability Progress Report in its 2018 Annual Report detailing its key social and environmental performance achievements in 2018. Otherwise, other than following the GRI Standards since 2018, the most recent version of the GRI framework, there has been no significant change in reporting.

102-50

Reporting period

2018

102-51

Date of most recent report

2017

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

The 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 Ernst & Young LLP to perform an independent limited assurance on selected performance indicators. More information on the [assurance scope and statement](#)

103-1

Explanation of the material topic and its Boundary

Unless specified otherwise in an indicator, Air Canada, Air Canada Rouge® and Air Canada Vacations® are included in the boundaries of this report and all are full disclosures. Please refer to each indicator for specific exclusions.

ECONOMIC PERFORMANCE

Disclosure on Management Approach

[2018 Annual Report](#), p. 18-26 (Strategy Section)

201-1

Direct economic value generated and distributed

[2018 Annual Report](#), p. 4-7

[Citizens of the World 2018](#), p. 3

[Citizens of the World 2018](#), p. 14

201-3

Defined benefit plan obligations and other retirement plans

[Please refer to the chart](#) for details on employee and employer contributions to the benefit plans. For more information, see [2018 Annual Report](#), p. 57

▪ SPECIFIC STANDARD DISCLOSURES

Anti-Corruption

Disclosure on Management Approach

[Citizens of the World 2018](#), p. 11 & 12

205-1

Operations assessed for risks related to corruption

[Citizens of the World 2018](#), p. 11 & 12

205-3

Confirmed incidents of corruption and actions taken.

No material anti-corruption risk sensitivities were reported or identified. [Citizens of the World 2018](#), p. 11 & 12

Anti-Competitive Behaviour

Disclosure on Management Approach

[Citizens of the World](#), p. 11 & 12

206-1

Legal actions for anti-competitive behaviour, antitrust, and monopoly practices

The Competition Bureau in Canada, the European Commission, and the United States Department of Justice investigated alleged anti-competitive cargo pricing activities, including the levying of certain fuel surcharges, of a number of airlines and cargo operators, including

Air Canada, between 1999 and 2006. For more information on these legal proceedings, please refer to the [2018 Management's Discussion and Analysis](#) of Results of Operations and Financial Condition (February 15, 2019). Air Canada was also named as a defendant, and may otherwise become implicated, in some class action lawsuits and other proceedings in Canada, the U.S. and Europe in connection with these allegations. Air Canada has settled the U.S. suit without any admission of liability and is contesting the other suits.

Two unrelated class action lawsuits in Canada are alleging anti-trust behaviour by Air Canada which remain pending but have been dormant for many years. First, in 2015 and in 2016, Air Canada was served with a series of class action proceedings alleging anti-trust behaviour in the control of capacity in the intra-US and cross border markets (Air Canada does not operate intra-US). Second, in 2016, Air Canada, along with WestJet and other affiliated companies was served with class action proceedings in Canada alleging collusion in the setting of baggage fees.

There were complaints of anti-competitive behaviour filed against Air Canada by travel agents' associations in India and Israel alleging collusion in the removal of commissions to travel agents. These complaints were rejected in India. However, the travel agents' association is appealing. In Israel, the file was recently reactivated and the proceedings against Air Canada were split from those commenced against the other airlines as Air Canada did not do the same as the other airlines.

ENVIRONMENT

Energy

Disclosure on Management Approach

[Citizens of the World 2018](#), p. 30

302-1

Energy consumption within the organization

[Please refer to the chart](#) summarizing the energy consumption within the organization.

302-2

Energy consumption outside of the organization

[Please refer to the chart](#) summarizing the energy consumption outside of the organization.

302-3

Energy intensity

[Please refer to the chart](#) summarizing the energy intensity.

302-4

Reduction of energy consumption

Air Canada has many initiatives underway to reduce its environmental impacts. Each year, new initiatives are implemented, which accounts for the variation in types of projects listed and amount of energy reduced. [Please refer to the chart](#) summarizing the energy reductions.

For more detail on these initiatives, please refer to Air Canada's annual CDP Climate Change submissions (at www.cdp.netExternal site which may not meet accessibility guidelines and/or language preferences.).

Emissions

Disclosure on Management Approach

[Citizens of the World 2018](#), p. 30

305-1

Direct (Scope 1) GHG emissions

[Please refer to the chart](#). For more information, please refer to Air Canada's annual CDP Climate Change submissions (at www.cdp.netExternal site which may not meet accessibility guidelines and/or language preferences.).

305-2

Energy indirect (Scope 2) GHG emissions

[Please refer to the chart](#). For more information, please refer to Air Canada's annual CDP Climate Change submissions (at www.cdp.netExternal site which may not meet accessibility guidelines and/or language preferences.).

305-3

Other indirect (Scope 3) GHG emissions

[Please refer to the chart](#). For more information, please refer to Air Canada's annual CDP Climate Change submissions (at www.cdp.netExternal site which may not meet accessibility guidelines and/or language preferences.).

305-4

GHG Emissions Intensity

[Please refer to the chart](#).. For more information, please refer to Air Canada's annual CDP Climate Change submissions (at www.cdp.netExternal site which may not meet accessibility guidelines and/or language preferences.).

305-5

Reduction of GHG emissions

[Please refer to the chart](#).. For more information, please refer to Air Canada's annual CDP Climate Change submissions (at www.cdp.netExternal site which may not meet accessibility guidelines and/or language preferences.).

Waste Management

306-2

Waste by type and disposal method.

Partial Disclosure. [Please refer to the chart](#).

Environmental Compliance

Disclosure on Management Approach

[**Citizens of the World 2018**](#), p. 27-30

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 2018.

EMPLOYEES

[**Citizens of the World 2018**](#), p. 38-41

401-1

New employee hires and employee turnover

for the total number and rates of new employee hires and employee turnover during the reporting period by age group, gender and region. [Please refer to the chart](#)

402-1

Minimum notice period regarding operational changes.

Notice periods depend on any statutory and/or contractual requirements 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. Another example is the Canada Labour Code requirement of sixteen weeks' notice of group termination of employment.

404-1

Average hours of training per year per employee

for average hours of training per year per employee. [Please refer to the chart](#)

404-3

Percentage of employees receiving regular performance and career development reviews for performance and career development review information. [Please refer to the chart](#)

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 ultimately tied to individual and collective performance and targets, determines compensation. Ratio of basic salary remuneration of women to men is 1.

SAFETY

Occupational Health and Safety

Disclosure on Management Approach

[Citizens of the World 2018](#), p. 19-21

403-1

Workers representation in formal joint management worker health & Safety committees.

[Please refer to the chart.](#)

403-2

Types of injury and rates of injury, occupational diseases, lost days, and absenteeism, and number of work related fatalities.

Partial Disclosure [Please refer to the chart.](#)

403-4

Health and safety topics covered in formal agreements with trade unions

The collective agreements in place with Air Canada's unions capture Health and Safety. As a federally legislated employer, Air Canada follows the Canadian Labour Code Part II for all Health and Safety topics. Additionally, we have collective agreement provisions that stipulate details such as number of meetings, number of full-time personnel and roles and responsibilities of the Health and Safety Committee(s).

As Air Canada Vacations® employees are not represented by a union, there are no collective agreements in place. Nevertheless, Air Canada Vacations® complies with applicable laws and regulations pertaining to health and safety.

CUSTOMERS

Customer Health and Safety

Disclosure on Management Approach

[Citizens of the World 2018](#), p. 24 & 25

416-2

Incidents of non-compliance concerning the health and safety impacts of products and services

[Please refer to the chart.](#)

At Air Canada Vacations®, no incidents of non-compliance injuries were reported in 2018.

Marketing Communications

Disclosure on Management Approach

The Marketing Communications department 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. A variety of measurement tools and metrics are used to ensure 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 US and Point of Sale International markets, as well as full integration of marketing assets within various branches to ensure maximum return on investment and full capitalization on all business development opportunities.

417-3

Incidents of non-compliance concerning marketing communications

[Please refer to the chart.](#)

Customer Privacy

Disclosure on Management Approach

[Citizens of the World 2018](#), p. 26

418-1

Substantiated complaints concerning breaches of customer privacy and losses of customer data

[Please refer to the chart.](#) More information on the [assurance scope and statement](#)

COMMUNITIES

413-2

Operations with significant actual and potential negative impacts on local communities

[Citizens of the World 2018](#), p. 34

419-1

Non-compliance with laws and regulations in the social and economic area

No significant fines in 2018. Air Canada is subject to various routine enforcement actions in relation to various operational matters including customs and immigration which can result in occasional warnings and other minor sanctions.

Charitable Giving

[Please refer to the chart](#) for a summary of charitable donations. [Citizens of the World 2018](#), p. 51-54, 57 Air Canada Rouge® In 2018, Habitat for Humanity welcomed a group of Air Canada Rouge® employees, who came together to make a Christmas ornaments and revive older furniture to turn them into something that can be sold for Habitat for Humanity. Habitat's mission to build safe, decent and affordable housing for hard-working, low-income families in need. In addition, Air Canada Rouge® also participated or contributed to the Mississauga Food Bank, Angel Project, Toronto Women's Shelter, Moisson Montreal, and the Montreal Lakeshore General Hospital Foundation. Air Canada Vacations® Employee Charitable Givings: In-kind support to Leukemia & Lymphoma Society Canada, Fondation Sainte-Anne, Hats

off 2 Kidz, HFD Shave to Save, Kids for Life Foundation, Fondation de l'École arménienne Sourp Hagop. Air Canada Vacations was also a partner of the 2018 401 Bike Challenge.