



Citizens of the world

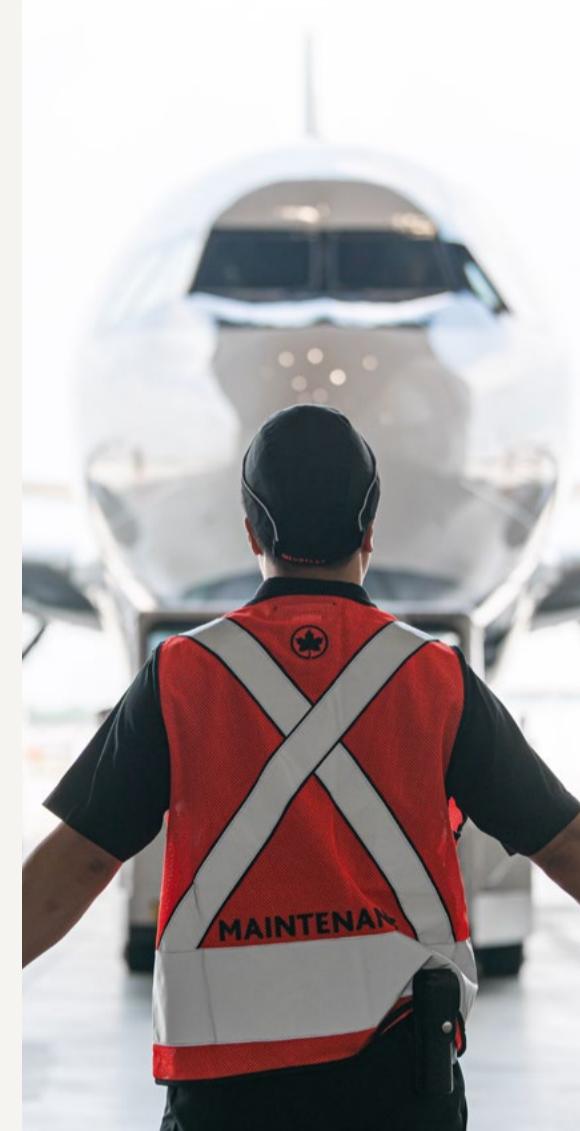


2024 Corporate sustainability report

STAR ALLIANCE 



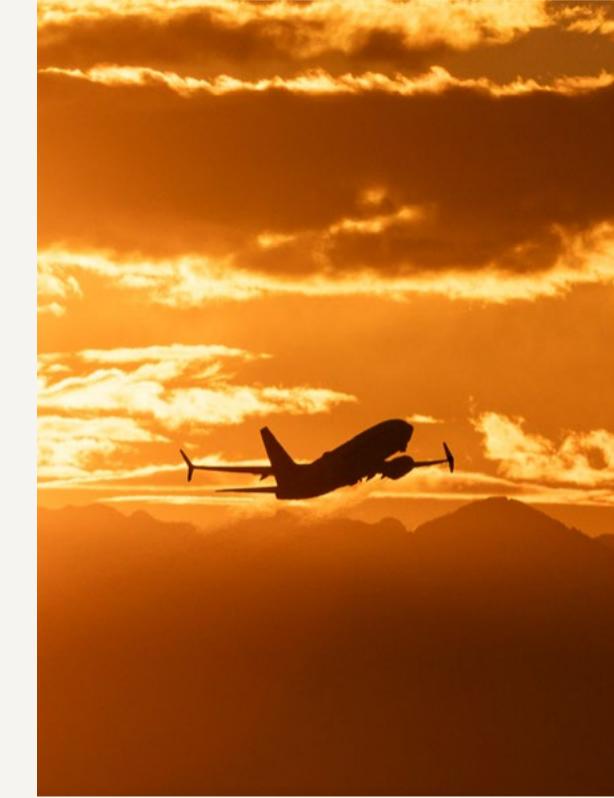
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Forward-looking statements and related cautionary notes

Air Canada's public communications may include forward-looking statements within the meaning of applicable securities laws. Forward-looking statements relate to analyses and other information that are based on forecasts of future results and estimates of amounts not yet determinable. These statements may involve, but are not limited to, comments relating to guidance, strategies, expectations, planned operations or future actions. Forward-looking statements are identified using terms and phrases such as "preliminary"; "anticipate"; "believe"; "could"; "estimate"; "expect"; "intend"; "may"; "plan"; "predict"; "project"; "will"; "would" and similar terms and phrases, including references to assumptions. Forward-looking statements, by their nature, are based on assumptions including those described herein and are subject to important risks and uncertainties. Forward-looking statements cannot be relied upon due to, among other things, changing external events and general uncertainties of the business of Air Canada. Actual results may differ materially from results indicated in forward-looking statements due to a number of factors, including those discussed below.

Factors that may cause results to differ materially from results indicated in forward-looking statements include economic conditions, statements or actions by governments and uncertainty relating to the imposition of (or threats to impose) tariffs on Canadian exports or imports and their resulting impacts on the Canadian, North American and global economies and travel demand as well

as geopolitical conditions such as the military conflicts in the Middle East and between Russia and Ukraine, Air Canada's ability to successfully achieve or sustain positive net profitability, industry and market conditions and the demand environment, competition, Air Canada's dependence on technology, cybersecurity risks, interruptions of service, climate change and environmental factors (including weather systems and other natural phenomena and factors arising from anthropogenic sources), Air Canada's dependence on key suppliers (including government agencies and other stakeholders supporting airport and airline operations), employee and labour relations and costs, Air Canada's ability to successfully implement appropriate strategic and other important initiatives (including Air Canada's ability to manage operating costs), energy prices, Air Canada's ability to pay its indebtedness and maintain or increase liquidity, Air Canada's dependence on regional and other carriers, Air Canada's ability to attract and retain required personnel, epidemic diseases, changes in laws, regulatory developments or proceedings, terrorist acts, war, Air Canada's ability to successfully operate its loyalty program, casualty losses, Air Canada's dependence on Star Alliance® and joint ventures, Air Canada's ability to preserve and grow its brand, pending and future litigation and actions by third parties, currency exchange fluctuations, limitations due to restrictive covenants, insurance issues and costs, and pension plan obligations as well as the factors identified in Air Canada's

public disclosure file available at www.sedarplus.ca and, in particular, those identified in section 18 "Risk Factors" of Air Canada's 2024 MD&A, dated February 13, 2025.

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. The achievement of our commitments and targets depends on many factors, including the combined actions of governments, industry, suppliers and other stakeholders and actors, as well as the development and implementation of new technologies. In particular, our 2030 carbon emission-related targets and our related 2050 aspiration are ambitious and heavily dependent on new technologies, renewable energies and the availability of a sufficient supply of sustainable aviation fuels (SAF), which continues to present serious challenges. In addition, 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, on which local and international stakeholders are increasingly focusing, cannot be predicted with any degree of certainty, nor can their financial, operational or other impact. There

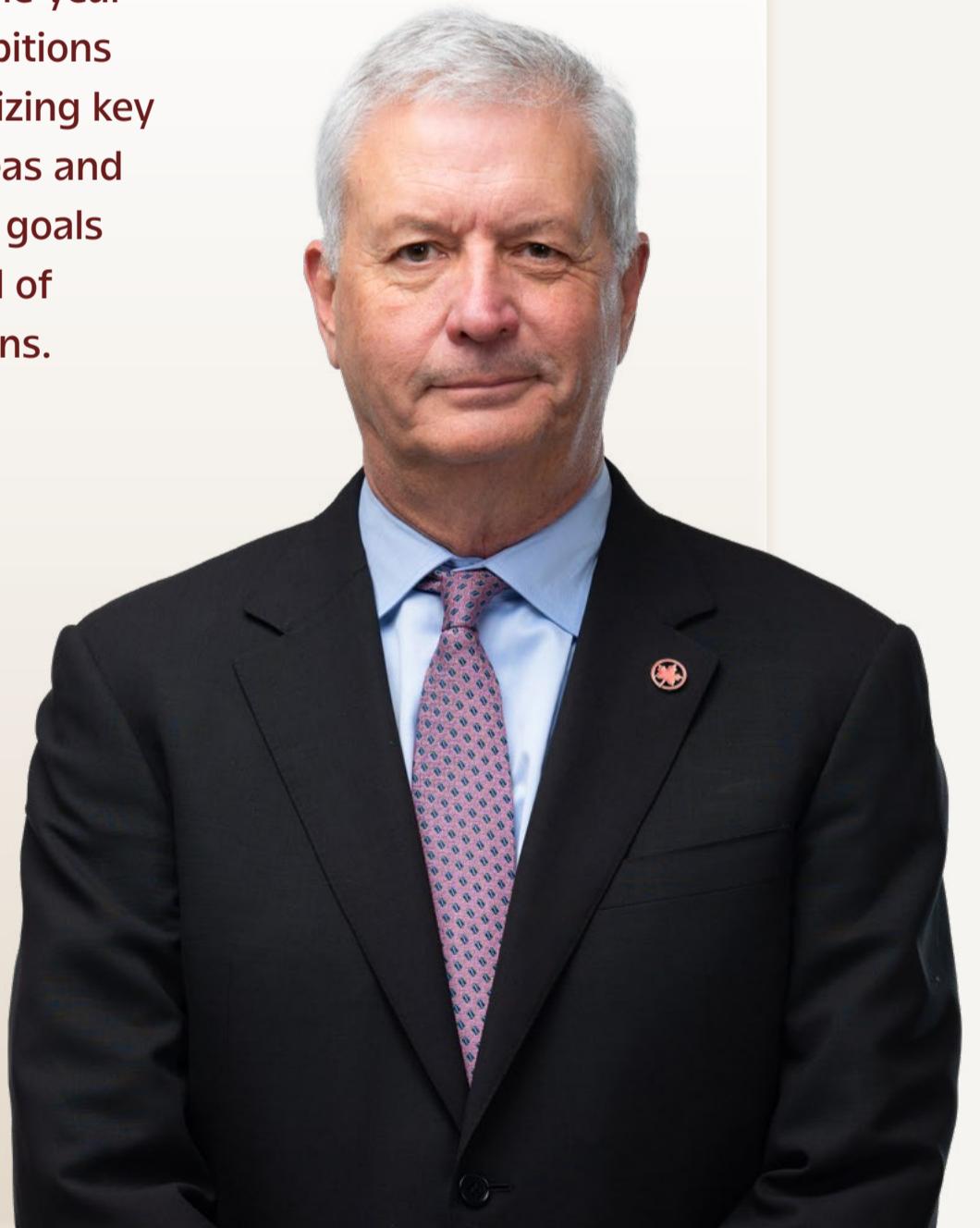
can be no assurance of the extent to which any of our climate goals will be achieved or that any future investments that we make in furtherance of achieving our climate goals will produce the expected results or meet increasing stakeholder environmental, social and governance expectations. Moreover, future events could lead Air Canada to prioritize other nearer-term interests over progressing toward our current climate goals based on business strategy, economic, regulatory and social factors, and 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 commitments, we could face adverse publicity and reactions from investors, customers, advocacy groups or other stakeholders, which could result in reputational harm or other adverse effects to Air Canada. The forward-looking statements contained or incorporated by reference in this report represent Air Canada's expectations as of the date of this report (or as of the date they are otherwise stated to be made) 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.



A message from the President and Chief Executive Officer

GRI 2-22

I am pleased to present Air Canada's 2024 Corporate sustainability report, *Citizens of the world*, which reflects our commitment to integrate responsible sustainability practices across our business. We are Canada's flag carrier and take great pride in connecting people together safely and in pursuing initiatives to manage the environmental footprint of our operations. This report highlights our achievements during the year while outlining our ambitions forward. We are prioritizing key sustainability focus areas and working to achieve our goals and objectives, mindful of stakeholder expectations.



Focusing on people

People are at the centre of our business, and our highest priority is the safety and well-being of our customers and our colleagues. Our employees serve our customers with care and class, and we ensure they have the tools and resources to succeed and thrive. Through our *Unlock the Best in You* (UBY) program, employees have access to myriad resources such as wellness centres, wellness days and our innovative UBY mobile app that contains extensive information regarding health and well-being. We continue to build on our efforts to provide an equitable and inclusive workplace, where individual experiences, demographics and identities are represented and supported. Accessibility is a priority, and we continue engaging with persons with disabilities — our employees and our customers — and with accessibility organizations to offer everyone a safe, comfortable and dignified journey. We provide service in Canada's two official languages and are committed to protect, promote and expand the reach of the French language.

Helping our communities

We strive to create a positive impact on the communities we serve. Air Canada supported more than 240 partnership initiatives with community organizations in 2024. The Air Canada Foundation supported more than 400 charities by fundraising, including a record-breaking \$1.4 million (net) at its 12th annual golf tournament, and donating \$1.8 million over the course of the year. Over 120 children accessed critical medical care away from home on almost 380 flights, and Dreams Take Flight helped more than 950 children and families make magical memories. Our dedication was exemplified through our employees, 1,500 of whom volunteered their time.

Doing more for our planet

We are pursuing our long-term aspiration to reduce our environmental footprint with several initiatives. These include investing in more modern, fuel-efficient aircraft and phasing out carbon-intensive ground equipment as well as investing in innovation programs, sustainable aviation fuels and renewable energy, and carbon reductions and removals. Significant advances and investments, including in new infrastructure and technologies as well as greater collaboration and meaningful incentives across industry and governments, are critical to reaching our important goals.

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

A handwritten signature in dark ink, appearing to read "Michael Rousseau".

Michael Rousseau
President and CEO, Air Canada



About our report

2024 *Citizens of the World* reports on Air Canada's sustainability initiatives and results for the period January–December 2024. We have been reporting on our corporate sustainability activities since 2011. All prior archived reports and data trends are available at aircanada.com/citizensoftheworld or where otherwise noted. This report discusses sustainability efforts and activities of Air Canada, as well as the activities of its operating subsidiaries, namely Air Canada rouge LP (Air Canada Rouge), Touram Limited Partnership (doing business as Air Canada Vacations) and Aeroplan Inc. (Aeroplan). This report reflects what Air Canada management presently believes to be its best available information. Our 2024 TCFD Index, [GRI Content Index](#) and related charts are available at [Corporate sustainability reports](#). Prior editions are also available. The information on our sustainability website is subject to change without notice. While we do our best to ensure the currency and accuracy of the information contained on our sustainability website, documents in it have necessarily been created as at a point in time and may no longer be current or accurate. We disclaim any intention or obligation to update or revise any statements, whether because of new information, future events or otherwise. [GRI 2-1, GRI 2-2, GRI 2-3](#)

Learn more[2024 GRI Content Index](#)

Reporting framework

This report has been prepared with reference to the Global Reporting Initiative (GRI), an internationally recognized reporting standard. 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, which aligns with the Task Force on Climate-related Financial Disclosures (TCFD) framework and Air Canada's TCFD Index.

Assurance

We believe in transparency, integrity and accountability. We aim to secure the appropriate level of assurance of our sustainability disclosures by developing and maturing our sustainability programs. Air Canada's Corporate Audit and Advisory department provides assurance through its annual audit plan, which encompasses reviews of sustainability disclosures. In addition, PricewaterhouseCoopers LLP was engaged to perform limited assurance on certain key performance indicators including Scope 1 and Scope 2 GHG emissions. For the information on the scope and the conclusion of the limited assurance, refer to their [limited assurance report](#). We will continue to review requirements around our sustainability disclosures, including the extent of internal or external assurance. [GRI 2-5](#)

Corporate sustainability

We monitor sustainability 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 sustainability reporting evolves. In 2023-24, we conducted a stakeholder analysis about the issues our customers, employees, investors, industry partners, peers and communities care most about.

Air Canada supports

10 principals of the United Nations Global Compact



17 Sustainable Development Goals



Stakeholder engagement

GRI 2-29

Air Canada believes in strong and consistent engagement with all our stakeholders. We proactively and regularly engage with them 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 various ways including:

GRI 3-1

CUSTOMERS

- engagement through our customer contact centres, customer relations teams and other channels (e.g., in person, phone, email, digital platforms)
- satisfaction surveys, customer feedback panels and focus groups, including as part of our Elevate the Customer Experience initiative
- content on our website and social media channels
- conferences and regular discussions with corporate customers

INVESTORS

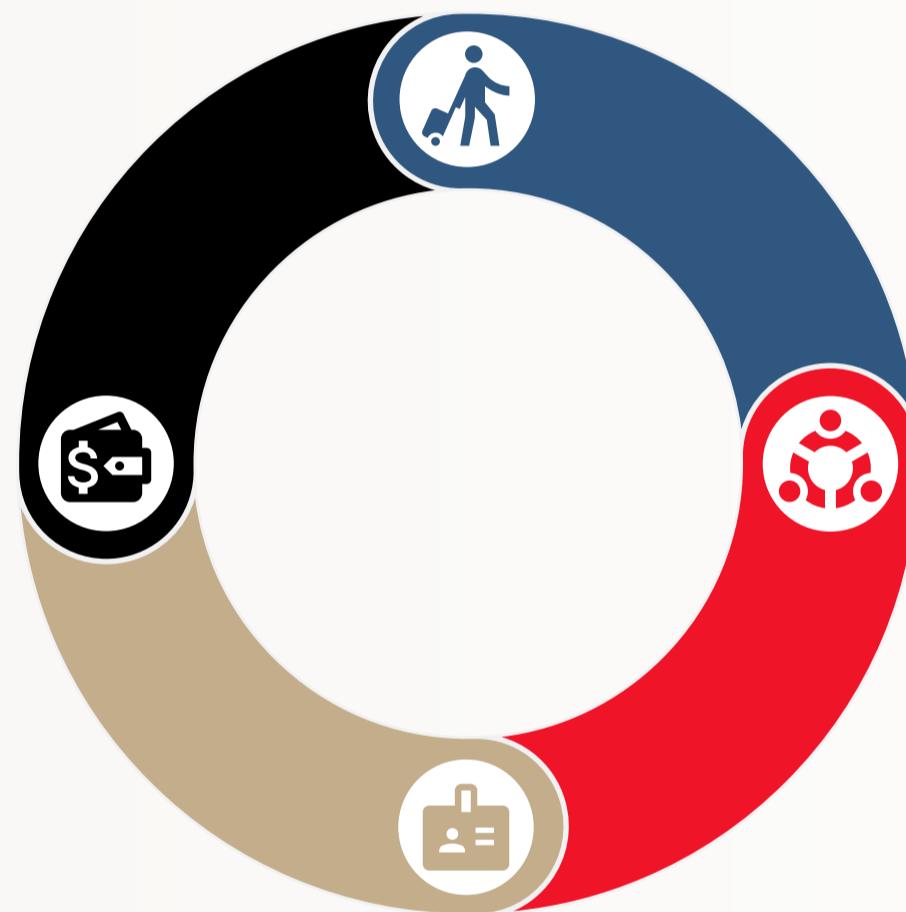
- events and conferences
- meetings
- regular dialogue

EMPLOYEES

- town halls with the President and CEO and other members of the executive team
- internal social media platform
- surveys and discussion groups
- 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 and Air Canada Foundation events
- involvement with industry and business associations



We work to provide a transparent blueprint of our sustainability approach. In 2023, we conducted a stakeholder analysis to assess, confirm and prioritize critical sustainability topics. The results of this pulse check validate our sustainability approach and where and how our goals and objectives are aligned with the priorities of our stakeholders and standard setters who seek a stronger connection between sustainability and business strategy. Ultimately, our stakeholder analysis supports our business, and we are committed to further integrating sustainability factors into our corporate strategy.

Stakeholder analysis

In 2023-24, we launched a stakeholder analysis finalized in 2024 and facilitated by a third party to prioritize and confirm critical ESG topics. Our stakeholder analysis supports our business, as we engage with key stakeholders and prepare for new disclosure requirements and for long-term success.

The top topics are:

GRI 3-2

- Flight safety
- Operational performance and customer experience
- GHG emissions
- Labour relations and employee engagement
- Responsible business practices
- Employee wellness and safety
- Cybersecurity
- Financial performance and resilience
- Climate adaptation
- Data privacy





“

Our long-standing commitment to sustainability is fuelled by our effort to integrate sustainability goals into our business, operations and programs. Completing a stakeholder analysis is part of this effort, and our latest analysis informed our sustainability approach. It is essential to understand stakeholder expectations and the critical topics that are also important to our business.”

Valérie Durand

Head of Investor Relations and Corporate Sustainability

Management approach to sustainability

Sustainability practices and strategies help inform Air Canada's business strategy and 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 is led by the Head of Investor Relations and Corporate Sustainability and comprises senior management subject matter experts from diverse functions. It co-ordinates and monitors Air Canada's corporate sustainability initiatives, under the oversight of a Corporate Sustainability Steering Committee made up of members of our Executive Committee. Progress on these initiatives is shared with three Board committees: (1) Governance and Nominating; (2) Safety, Health, Environment and Security; and (3) Audit, Finance and Risk. Several other working groups are tasked with advancing climate and other sustainability initiatives such as those related to customer engagement, representation and inclusion, wellness, accessibility, official languages, community investments and prevention of modern slavery. [GRI 3-3](#)

Learn more



[Governance](#) [GRI 2-9](#)

[Board committee and charters](#)

[Proxy circular](#)

[Climate-related governance](#) [GRI 2-13](#)



Highlights

Business

>41,000
EMPLOYEES
END-2024

FLEET RENEWAL

Ordered
5
Airbus A220s,
bringing firm orders to 65

Agreed to lease
7
Boeing 737 MAX 8s

Acquiring
30
Airbus A321XLRs
(deliveries to begin in Q1 2026)

14
Boeing 787-10s (deliveries
to begin in 2026)

AEROPLAN

CELEBRATED
40th anniversary
with record membership
(>9M MEMBERS)

NEW AND EXPANDED
partnerships

CARGO

6
Freighters in service

NETWORK GROWTH

1,032
AVERAGE DAILY FLIGHTS

DIRECT DESTINATIONS

188
direct destinations
on 6 continents

FAST, FREE BELL-SPONSORED

Wi-Fi on North America
and sun flights **FROM**
MAY 2025, with long-haul
international
routes to follow in 2026

>47.3M
PASSENGERS
WELCOMED
(vs. ~46.2M in 2023)

NEW ROUTES LAUNCHED

16

INTERMODAL STRATEGY

expanded in Europe
and launched air-to-rail
connections in South Korea

AIR CANADA VACATIONS

expanded guided tour
packages to Asia, Australia,
Colombia, Dubai, India,
New Zealand



People

OFFICIAL AND OTHER LANGUAGES

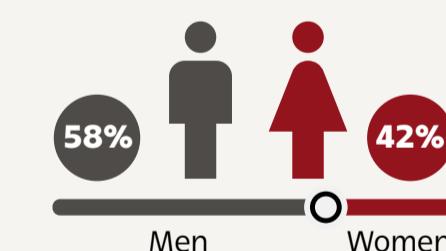
2
official languages

24
route languages

80+
languages spoken globally
by our employees

BOARD MEMBER DIVERSITY

17%
Racialized group | visible
minority



ACCESSIBILITY

>1.4M
accessibility requests
received

>32,300
wheelchairs transported
Hidden Disabilities
Sunflower program
adopted

HEALTH AND WELLNESS

>5,150
UBY Wellness Centres
members

234
UBY ambassadors

CHARITIES

240
organizations with
357 projects

287
events supported

94M points
donated to 124 charities
through **Aeroplan** donation
platform

409 charities
supported

\$1.8M
donated by
Air Canada Foundation

8
Dreams Take Flight
events operated

Planet

SAF TARGETS

significant SAF procurement
progress to meet 1% target
of estimated jet fuel use in
2025

~101,000L
of Canada's first batch of
low carbon aviation fuel
purchased

Nearly
78M litres
of unblended neat **Neste**
MY Sustainable Aviation
Fuel™ procured

A key observation:



Sustainable Aviation Fuel
(SAF) is the main term used
by the aviation industry to
describe a non-conventional
(fossil derived) aviation fuel.

287 E-GSES

60.8%
WASTE* DIVERTED
from landfill, up 6.5% from
2023 (*office and facility waste)

Recognitions

Award-winning airline



Skytrax World Airline Awards

- The World's Best Business Class Lounge Catering
- The Best Cabin Crew in Canada
- The Most Family Friendly Airline in North America
- Best Premium Economy Class Onboard Catering in North America
- Cleanest Airline in North America



Airline Passenger Experience Association (APEX)

- Passenger-Rated Five Star Global Airline Award at APEX 2025 Awards
- 2024 APEX Best in Entertainment Award in North America



Global Traveler magazine

- Best Premium-Economy Class for 6th consecutive year
- Best Airline for Onboard Entertainment for 6th consecutive year
- Outstanding Environmental Initiatives



Trazee Awards

- Favourite Airline in North America for 6th consecutive year



World Travel Awards

- World's Leading Airline to North America 2024



ATW Airline Industry Achievement Awards

- 2024 Cargo Operator of the Year, Air Canada Cargo is 1st Canadian operator to win



Project Green YVR Annual Summit

- Environmental stewardship



Seattle-Tacoma International Airport

- 2024 Fly Quiet Award



Travvy Awards

- Best Airline - International - Gold level

Award-winning loyalty program



Freddie Awards

- Airline Program of the Year and Best Promotion and Best Redemption Ability for Aeroplan



Point.Me

- Aeroplan is 1 of 5 best rewards programs on the planet
- Ease of Earning Miles
- Redemption Rates
- Partner Availability
- Routing Rules

Award-winning employer



Mediacorp Canada

- One of Canada's top employers for young people by Mediacorp Canada Inc.



Excellence Canada

- Gold Level certification for Mental Health at Work from Excellence Canada



Montréal's Top Employers Awards

- One of Montréal's top employers for the 11th consecutive year



One of Canada's Best Employers 2023 by *Forbes* for the 9th consecutive year

Achievers

- One of the Achievers 50 Most Engaged Workplaces for the 6th consecutive year

Winner of 2023 HRD Innovative HR Teams Award for Forward-Thinking HR Programs

Best Global Mental Health Programme from *InsideOut* Awards



Rise higher

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

We want our activities and goals to align with our four priorities: Fund our future, Reach new frontiers, Elevate our customers and Lift each other up.



Fund our future by staying vigilant on costs, seizing on opportunities and making the right strategic investments.

Reach new frontiers by embracing our competitive strengths to grow our business, expanding our international reach and exploring new opportunities.

Elevate our customers by supporting the creation of meaningful customer experiences and human connections, such as by leveraging innovations in technology, loyalty program and products.

Lift each other up by fostering a collaborative workplace that respects all diverse cultures and contributions to society



BUSINESS

We are proud to be Canada's largest airline and flag carrier, and we are committed to keep progressing on our strategic priorities. These include making continued investments in new products and services, building strong partnerships and advancing our innovation agenda. We are enhancing our business and elevating the customer experience – our core components – because of our steadfast efforts.

[Learn more](#)[Air Canada Corporate Profile](#)

GRI 2-6

[2024 Annual information form](#)

- Fleet
- Network
- Star Alliance
- Aeroplan
- Air Canada Vacations
- Air Canada Rouge
- Cargo

GRI 2-28

[2025 Management proxy circular](#)[Q4 2024 MD&A](#)

GRI 201-1, GRI 207-4



“

Integrity lives within our daily actions. We are committed to maintaining the trust of our customers, colleagues and partners by conducting our activities ethically. Respect and doing the right thing are at the heart of our culture.”

Stéphanie Duquette

Integrity, Corporate Compliance and Privacy Leader

Responsible business

GRI 2-23

Ethics

Ethical business practices and behaviours are fundamental to Air Canada's governance culture, as reflected in our [Code of 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.

GRI 205-1

Air Canada has various policies and guidelines available to employees via our intranet that identify the department responsible for them. This enables employees to reach out if clarification or guidance is required.

Modern slavery policy

In 2025, we published Air Canada's [Modern slavery, forced labour and human trafficking report 2024](#). It describes the measures we have in place to support our ongoing commitment to prevent modern slavery, child labour, forced labour, human trafficking and the sexual exploitation of minors in our operations and supply chain. The company also has an ethics reporting program that allows employees and stakeholders to report ethical concerns through various channels.

Air Canada also adopted an Anti-Human Trafficking and Modern Slavery Policy in 2024, outlining our steps to help identify, report and mitigate risks on our flights, operations and global supply chain. Awareness is at the core of this policy, and training, supply chain diligence and collaboration with law enforcement agencies are key components.

Human rights

We provide reporting channels for employees to report potential violations of law, human rights abuses or harassment and violence in the workplace. These channels include Air Canada's anonymous ethics reporting channel, as well as our Human Rights and Harassment Office (HRHO). Every three years, or as required, we review and update our Workplace Harassment and Violence Prevention Policy and our training module that applies to Canada-based employees. In 2024, the HRHO represented Air Canada in its commitment to safe and healthy workplaces at the fifth anniversary of the implementation of the UN's International Labour Organization (ILO) Convention 190 – the first international treaty to recognize the right of everyone to a world of work free from violence and harassment.

Privacy and cybersecurity

The Privacy Office and IT Cybersecurity both play central roles in guiding initiatives that involve personal data, ensuring compliance with applicable privacy and data protection laws. We integrate privacy considerations into our operations, offering guidance and oversight to support responsible data handling practices across the organization. We have straightforward policies that outline how data is collected, used, retained and shared as well as how we respect individual rights. Ongoing training and awareness initiatives in privacy and cybersecurity nurture a culture of privacy and data protection. These efforts enhance employees' knowledge of privacy and cybersecurity, reinforce their ability to safeguard digital assets and promote responsible handling of personal information and data.

Learn more



[Responsible business](#)

[Enterprise risk management](#)

[Corporate compliance](#)

[Governance](#)

[Board committee and charters](#)

[Competition](#) GR1 206-1

[Structure, supply chain and activities](#)

GRI 204-1

Responsible practices

GR1 417-3

[Air Canada Privacy Policy](#)

[AI Ethics Policy \(internal\), Artificial intelligence and Privacy and cybersecurity](#)

[Anti-Human Trafficking and Modern Slavery Policy \(internal\), Procurement policy \(internal\)](#)

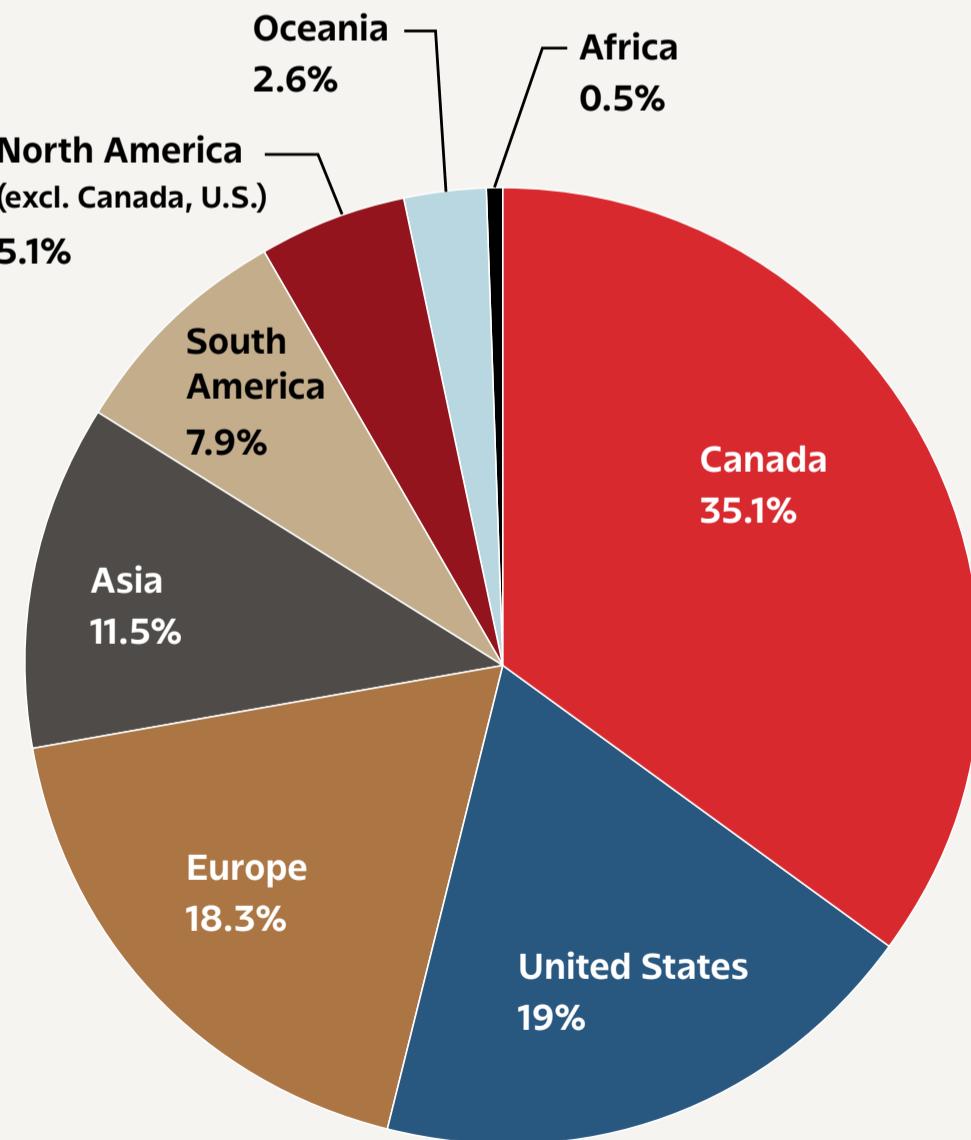


Sustainable procurement

The Strategic Procurement branch aims to strategically deploy Air Canada's procurement spend to meet business needs and maximize opportunities that support sustainable practices within and along our supply chain.

Each year we leverage information from risk, compliance and monitoring databases and perform supplier assessments for legal and reputational risks to consider any measures that need to be addressed as part of our contracting process. In 2024, we expanded the scope of suppliers assessed.

Supplier geographic location



Spotlight



92% of Strategic Procurement and CRE employees received training on modern slavery

655 reputational risk assessments completed

Learn more



[Sustainable procurement](#)

[Supplier Code of Conduct \(SCC\)](#)

[Suppliers](#)

[Modern Slavery and Human Trafficking Statement 2022](#)

[Modern slavery, forced labour and human trafficking report 2024](#)

[Anti-Human Trafficking and Modern Slavery Policy \(internal\)](#), [Procurement policy \(internal\)](#)



EcoVadis medal

Air Canada takes part in a sustainability assessment conducted by EcoVadis. The EcoVadis analysis covers four general themes: environment, labour and human rights, ethics and sustainable procurement.

In 2024, Air Canada scored 67, ranked in the 86th percentile and was awarded a silver medal for its performance.



PEOPLE



“

Our people are responsible for helping our organization grow and foster connections around the world. Whether they are supporting our customers or our employees on the ground or in the air, or whether they're working behind the scenes, we are proud of every employee who goes above and beyond, with care and class, to ensure we elevate the customer experience.”

- Pina Guercio
Vice President, Global HR



Safety

In everything we do, we dedicate ourselves to Safety First, Always, our overarching priority for ourselves, our customers and our industry.



“

At the heart of our culture is Safety First, Always, and the safety of our customers, employees and those in communities where we fly and serve is always our first priority.”

Robert Palmer
Vice President, Safety

Safety culture surveys GRI 403-6, GRI 403-7

Biennial, voluntary and confidential safety culture surveys are conducted to collect employees' insights on safety. The results indicate most employees feel safe to report errors, concerns and hazards. They understand why standard operating procedures are created and feel supported in their ability to learn new safety procedures.

In 2024, we carried out our biennial safety pulse survey that helps shape the future corporate safety strategy and facilitates the development of key safety projects and initiatives. Air Canada also highlighted health and safety initiatives for employees during Health and Safety Week in May 2024. The goal of this initiative 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 IATA Operational Safety Audit Program is an 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. Its successful completion is critical and, as such, a determined and focused effort is required to demonstrate safe, sound and effective practices to the independent assessment team.

Air Canada and Air Canada Rouge have a disciplined process in place to identify and mitigate potential operational risks, including potential risks to be considered with new aircraft, routes or other initiatives. Air Canada Vacations' contracts with all its partners 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 the supplier. Further inspections are conducted, when required, to ensure appropriate, corrective measures are taken. GRI 416-2

LOST TIME INJURY GRI 403-9

	2024	2023	2022	2021
Air Canada, including Air Canada Rouge pilots				
LTI - per 10,000 flights	44.14	39.82	45.44	48.44



Learn more



[Safety](#)

[Safety policy](#) GRI 403-4

[Safety management system](#)

GRI 403-1

[Flight data monitoring, Associations](#)

[Onboard first aid](#) GRI 403-5

[Approach to occupational health and safety](#) GRI 403-2, GRI 403-3

[Back injury prevention program, Policy on drugs and alcohol \(internal\)](#)



Employees



Engagement

We have developed extensive employee support systems to foster a positive culture and an engaged and productive workforce.

Internships

In 2024, we continued working closely with higher education institutions, government and government trustees through subsidies and tax credit programs available to employers to develop work opportunities for students, which were aligned with Canada's social and economic realities and objectives.



Mentoring and engagement

In 2024, more than 180 employees were matched with 140 mentors in a formal mentoring program that we launched in 2023 for our more experienced workforce to transfer their knowledge to our developing leaders. Thanks to our mentoring and co-op/internship programs, we are prioritizing our initiatives and training with a focus on increasing underrepresented groups. We also introduced internal coaching to support our employees' professional development.



Arrivals connection

Overall, 305 employees attended the 2024 editions in Montréal, Toronto and Vancouver to gain a deeper understanding of our business, meet and greet senior leaders and network with peers.

Pensions

By end-2024, about 41,000 employees were participating in a pension plan and around 32,000 retirees and surviving spouses were receiving a pension from a defined benefit plan. In 2024, Air Canada contributed \$187 million to pension plans for its employees.

Spotlight GRI 2-7, GRI 401-1

5,455
new hires
worldwide
(includes 446 pilots)

38,808
total
employees
trained

17.6%
full-time
employees in
Canada under 30

1.77M
total
training
hours

1,161
new flight
attendants

Learn more



Employees

Training GRI 404-1, GRI 404-2, GRI 404-3

Compensation and benefits

GRI 201-3

Labour relations GRI 2-30

Policy on drugs and alcohol (internal)



Employee wellness and UBY



“

We believe it is important to offer employees various resources, tools and expert advice on wellness areas that include work health, mental health awareness and financial well-being. Our employees are the heart of our business, and the Unlock the Best in You program underscores our commitment to caring for them.”

Dr. Jim Chung
Chief Medical Officer



Spotlight

234

UBY ambassadors

~70%

UBY portal users

4,750

UBY wellness days attendants

290

new UBY running club members (>500 in total)

>5,150

UBY wellness centres members

~1.1M

UBY Viva Engage* community views

4 awards:

- Excellence Canada - Mental Health at Work® - Gold
- InsideOut Awards - Global Mental Health Program Award
- TELUS Health Well-being Awards - Well-being Innovation Award
- TELUS Health Well-being Awards - Global Well-being Champion of the Year Award

Employee and Family Assistance Program (or similar programs)

A confidential and voluntary support service for employees to get immediate help for any work, health or life concern, as well as mental health training for managers, mental health first aid, virtual counselling and telemedicine.

*Social networking and employee communication app



Representation and inclusion



“

We are committed to ensure equitable treatment of our customers, our employees and the communities in which we live and work. By innovating, creating and fuelling engagement across the board, we foster inclusion for everyone.”

Christianna Scott (she/her)
Director, Diversity, Equity and Inclusion

Air Canada follows a holistic framework to embed and foster an intersectional approach within our inclusion strategy called CARE: Community outreach, Accountability, Representation, Engagement and belonging. By leveraging CARE in 2024, we strengthened our efforts to continue delivering on our commitments.

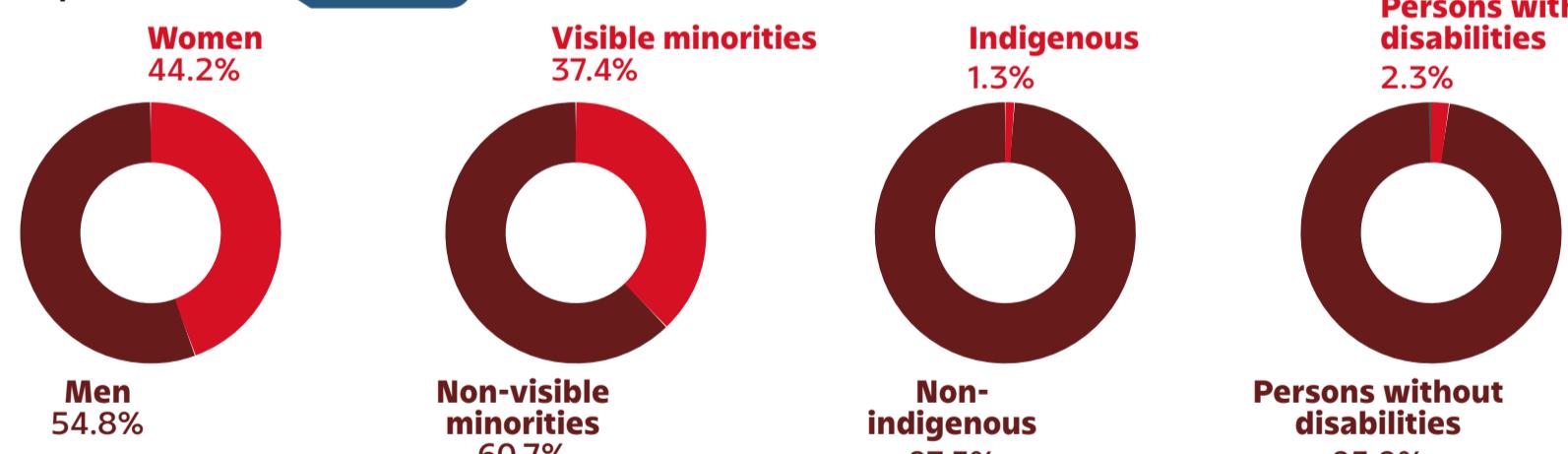
In 2024

Community outreach: 64 events (7 focused on Indigenous communities)

Accountability: Air Canada wins 2 awards:

- Top Employer for Young People in Canada
- One of Montréal's Top Employers for 11th straight year

Representation* GRI 405-1



*Air Canada's self-ID questionnaire responses of Canada-based workforce as of Dec. 31, 2024. Note the values do not add up to 100 per cent because the percentage of respondents who said they 'prefer not to answer' is not displayed in the charts. Data includes Air Canada, Air Canada Rouge and Air Canada Vacations.

Engagement and belonging:

- 54 employee-based events
- Employee resource group membership: 122% growth (1,340 members vs. 603 members end-2023)

Learn more



[Representation and inclusion](#)

[2024 Annual Report](#)

[Code of Conduct](#)

[Board Governance Code](#)

[Air Canada's 2023-26 Accessibility Plan](#)

[Air Canada's 2025 Accessibility Progress Report](#)

[Indigenous sacred and ceremonial items policy](#)

[Workplace Harassment and Violence Prevention Policy \(internal\)](#)

TODAY'S YOUTH, TOMORROW'S FUTURE

STUDENT AGE IS ~25



- 132 interns across 17 branches
- ~50 students join Aircraft Maintenance Engineers (AME) WIL Program each year
- 7 scholarships for aspiring AMEs prioritized for people who identify as women and underrepresented minorities
- Students spend ~16 weeks on placement with Air Canada (longer placement periods for engineering students)



Accessibility

Our multi-year accessibility plan reaffirms our commitment to enhance accessibility and related services for employees and customers with disabilities. The plan outlines our 2023-26 roadmap to become a more accessible organization and contribute to Canada's objective to be barrier-free by 2040.



“

Accessibility is a priority for us. We will continue investing significant resources and designing products and services with accessibility in mind to help us meet our goal of being a leader in this area.”

Kerianne Wilson
Director, Customer Accessibility



Learn more



Accessibility

[Air Canada's accessibility services](#)

[Air Canada's Accessibility plan](#)

[Air Canada's Accessibility progress report](#)

[2024 Annual report](#)

Spotlight



1,405,096

Special service requests handled

576,771

Accessibility customers

2.27%

Percentage of all customers with accessibility requests vs. all customers

Official and other languages

Air Canada is proud to offer bilingual services in the country's two official languages: English and French. We are the only airline in Canada with official languages obligations under the *Official Languages Act* (OLA), and we have honoured those obligations with steadfast commitment for more than 50 years in a highly complex industry across a vast international network. Over time, we have developed unique expertise and become a leader in implementing sustained initiatives to deliver services in both official languages in multiple locations and route combinations and in promoting the use of English and French in the workplace.



Learn more



[Air Canada - Official Languages](#)

[Official and other languages](#)

[Languages in Action at Air Canada: 2024-27 plan](#)

[2024 Annual report](#)

Spotlight



>19,000

language tests performed

>7M

words translated (vs. >6M in 2023)

Hello
Bonjour



“

Canada's official languages, English and French, are fundamental to our core values. We are proud to deliver on our promise to create meaningful connections by offering services to our customers, our employees and our community in the official language of their choice, and we are proud of our employees who help drive our efforts and who welcome and seek opportunities to learn and enhance their language skills.”

Brigitte Saint-Pierre
Director, Official Languages



Community relations and partnerships



“

Our network and our impact extend way beyond our planes. We foster relationships with the communities in which we live and work, and we support incredible organizations and initiatives that impact our aviation and tourism sectors and our country's socio-economic well-being. Through the work we do, we succeed in building a more inclusive, prosperous and sustainable Canada.”

Eric Lauzon
Director, Community Relationships and Partnerships



Air Canada's Community Relations and Partnerships team supported more than 300 events and initiatives as well as over 240 organizations in 2024.

[GRI 413-1, GRI 413-2](#)

An investment valued at more than \$3.8 million was allocated to Canadian communities to support socio-economic development and to address a wide range of needs across the country. This included targeted support for initiatives that celebrate Canadian bilingualism, elevate Indigenous identities, promote broad forms of cultural expression and empower the next generation of young leaders – all contributing to the collective goal of building a stronger, more inclusive Canada for the future.

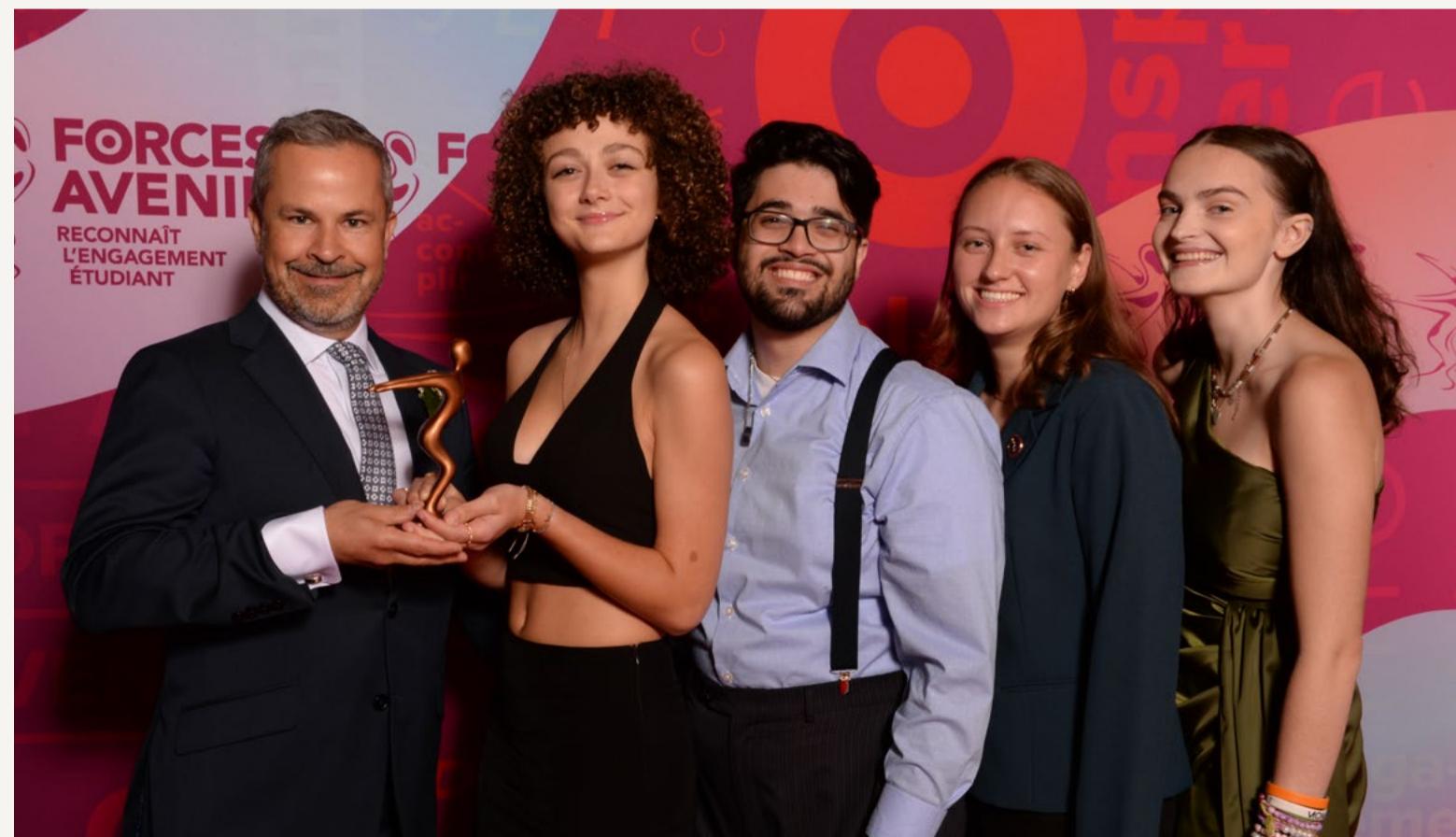
[Learn more](#)



[Community](#)

[Sponsorships and community investment](#)

[2024 Annual report](#)



Air Canada Foundation

The Air Canada Foundation provides financial or fundraising support to Canadian-registered charities that seek to improve children's health and well-being. It has raised more than \$18 million since its creation. In 2024, the Foundation:

Raised \$2.2M
up 29% from 2023

**Supported
>400 charities**

**Donated more than
2,200 airplane
tickets**

**Donated
\$1.8M to
communities
across Canada,
up 38% vs. in 2023**

**Donated
65,375.82 kg
of food
via Food Rescue
program**

Hospital Transportation Program

**29M Aeroplan points
and
400 airline tickets
donated to paediatric
hospitals**

**>125 patients
accessed medical care on
>370 flights**

Every Bit Counts

**\$53,002.89
collected**

GRI 413-1



Learn more

[Air Canada Foundation](#)
[Air Canada Foundation Impact Report 2024](#)

Community engagement

- Aeroplan Member Donation Program:
 - >94M points donated to 124 charities
 - Close to 58M raised during 12 Points Matching weeks
 - 32 new charitable accounts added
- AviACTION, Air Canada's new volunteering and community engagement program, is launched.
- 1,500 employees volunteered, up 37% vs. in 2023.

Humanitarian aid

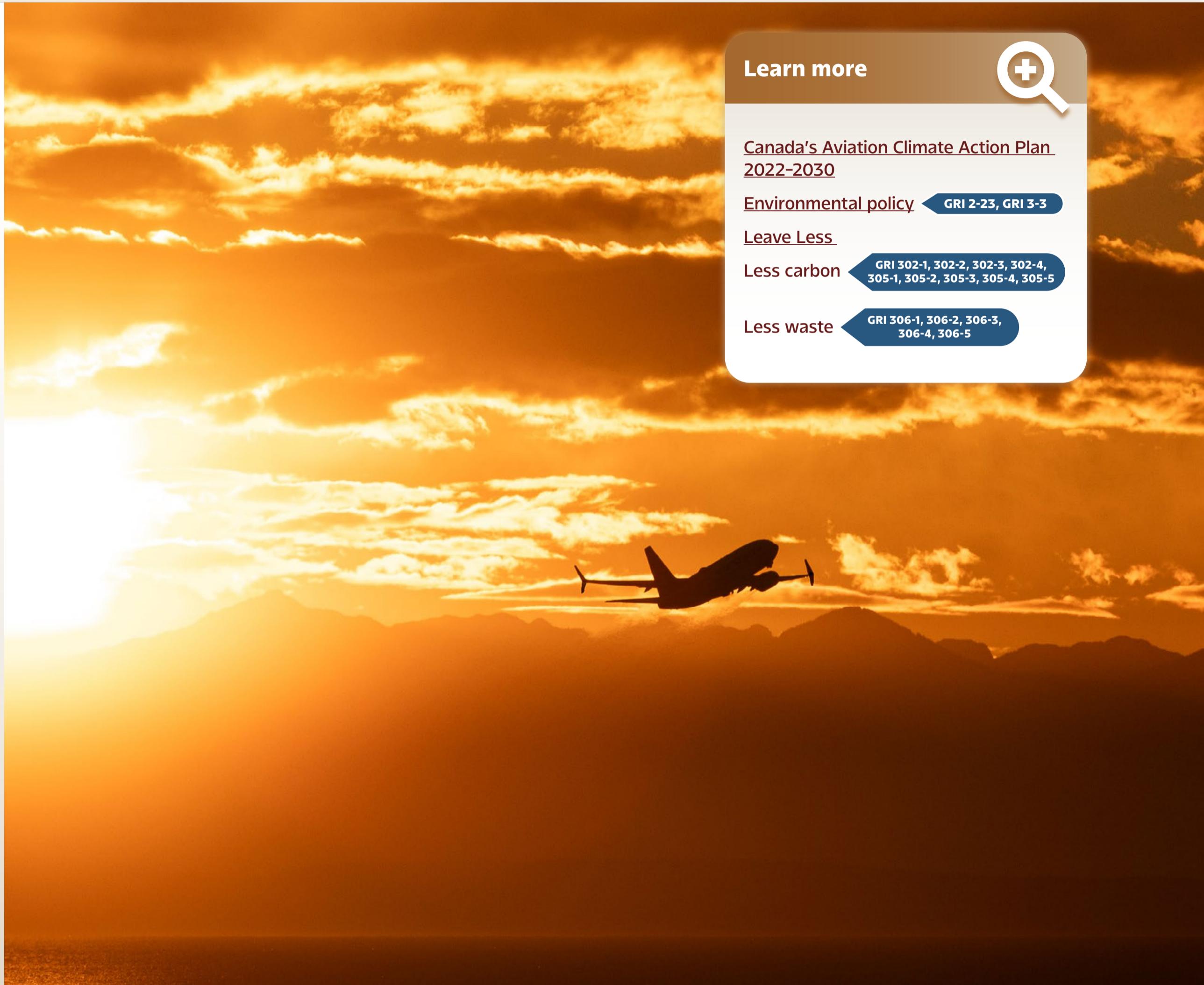
- Air Canada donated \$50,000 to the Canadian Red Cross (CRC) and \$1,000 to GlobalMedic.
- Air Canada employees and the Foundation donated \$5,500 to CRC for hurricane, wildfire and humanitarian crisis appeals.
- Air Canada and the Foundation donated 60 airline tickets to humanitarian relief organizations for passenger movements.

PLANET

In our pursuit to connect Canada and the world, we are also working on our climate ambition.

Environmental philosophy

*Our environmental philosophy is to **Leave Less and Do More**. We aim to leave less to minimize our environmental impact: less carbon in the atmosphere, less energy use in our operations, less waste on land and in water and less noise in the communities we serve. We aim to do more to address environmental issues by increasing collaboration and participation with industry partners and by engaging more with communities and with employees and customers.*



Learn more



[Canada's Aviation Climate Action Plan 2022-2030](#)

[Environmental policy](#) GRI 2-23, GRI 3-3

[Leave Less](#)

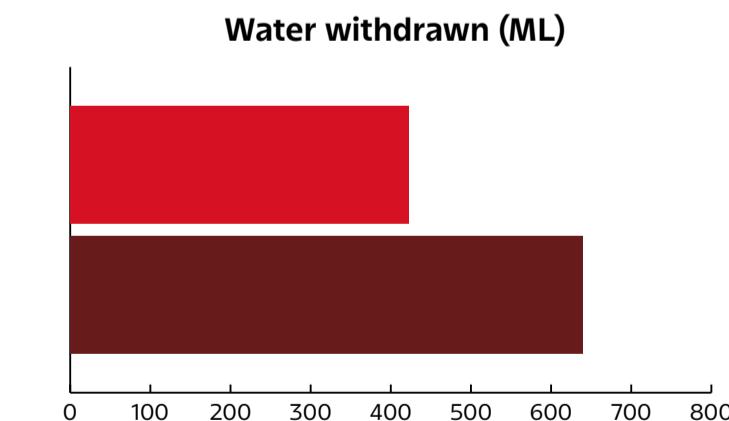
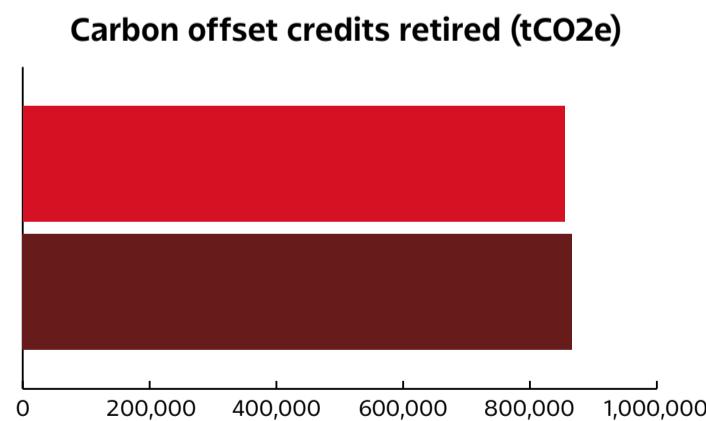
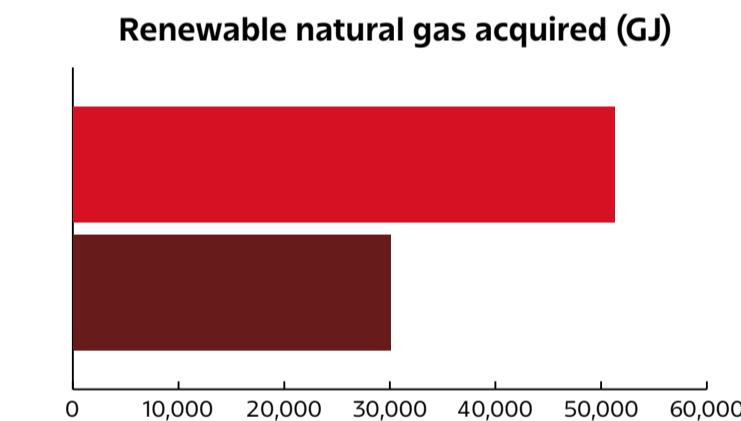
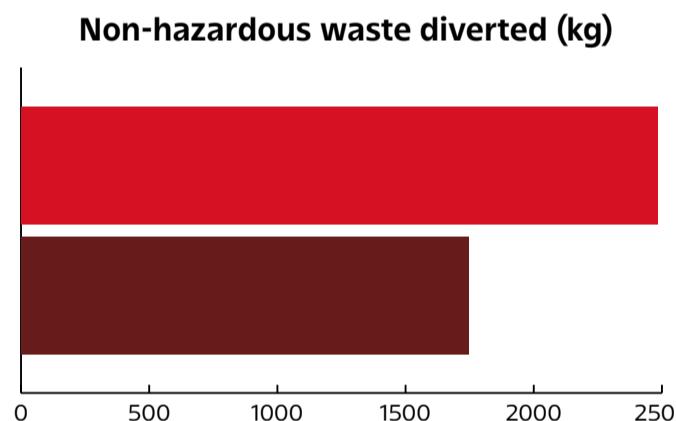
[Less carbon](#) GRI 302-1, 302-2, 302-3, 302-4, 305-1, 305-2, 305-3, 305-4, 305-5

[Less waste](#) GRI 306-1, 306-2, 306-3, 306-4, 306-5

Environmental sustainability

We continue to pursue our long-term aspiration to reduce our environmental footprint from our global operations and for our air and ground operations. This dedicated effort is part of our commitment to minimize the environmental impact of our operations, which includes the monitoring and management of natural resources, waste and pollution. We focus on water conservation and engage our community in shoreline cleanups, and we support biodiversity through our program for the prevention of illegal wildlife trafficking. We are using life cycle analysis to help guide our strategy on addressing future cabin components and onboard products. To date, we have completed analyses for certain cabin interior components and are in the process of doing the same for certain onboard products. [GRI 413-2](#)

2024  vs. 2023 



Nature and biodiversity protection

GRI 304-2

The illegal wildlife trade contributes to biodiversity loss, and Air Canada is combatting and raising awareness on the issue and its consequences. We are the first North American airline to hold the IATA Illegal Wildlife Trade certification.

Concerning our water conservation efforts, we measure our onboard water consumption on select flights and measure and track our facility water withdrawals. Air Canada uses water flights and ground operations as well for corporate, cargo and maintenance facilities. We have developed environmental management plans to address our ongoing and potential water-related impacts. These management plans for wastewater and stormwater are designed to ensure compliance with applicable regulations and are developed to both prevent pollution and minimize risks.

**Beehive program**

Air Canada has five beehives across the country (Montréal, Toronto, Vancouver, Calgary, Halifax).



Each hive is home to about
50,000-100,000 bees

2024 vs. 2023:**Aircraft water uplift**

70 ML vs. 67 ML

(due to increase in operations and passengers flown)

Municipal- or airport-sourced water is discharged to municipal sewer systems directly or indirectly via an airport's sewer system. Treatment or disposal of generated hazardous wastewater meets applicable laws and regulations.

Less waste

Air Canada completed life cycle analyses in 2024 for cabin interior components (note we are carrying out life cycle analyses for in-flight products):

Waste diverted (non-hazardous ground waste data)



60.8% vs. 54.3%

Climate-related financial disclosures

TCFD Index

Recommended disclosures	TCFD Index location
Governance	
The Board's oversight of climate-related risks and opportunities.	Governance, page 26
Management's role in assessing and managing climate-related risks and opportunities.	Governance, page 26
Strategy	
Climate-related risks and opportunities the organization has identified over the short, medium and long term.	Climate-related risks, page 31
The impact of climate-related risks and opportunities on the organization's business, strategy and financial planning.	Climate-related risks, page 31
The resilience of the organization's strategy, taking into consideration different climate-related scenarios, including a 2°C lower scenario.	Climate-related risks, page 38
Risk management	
The organization's processes for identifying and assessing climate-related risks.	Risk management, page 38
The organization's processes for managing climate-related risks.	Risk management, page 38
Metrics and targets	
The metrics used by the organization to assess climate-related risks and opportunities in line with its strategy and risk management process.	Metrics and targets, page 39
Scope 1, Scope 2 and, if appropriate, Scope 3 GHG emissions and the related risks.	Metrics and targets, page 39
The targets used by the organization to manage climate-related risks and opportunities and performance against targets.	Metrics and targets, page 29



Governance

Overview of climate and other sustainability governance

Air Canada's Board of Directors evaluates sustainability-related matters that affect Air Canada, such as climate, safety, human capital and representation and inclusion, on a regular basis. It oversees management recommendations on how to allocate resources including with regard to Air Canada's best interests and long-term performance and value creation. Air Canada has multiple levels of oversight and management for sustainability-related matters, which we define broadly to include climate and other environmental, human capital, representation and inclusion, safety, social, economic and governance factors.

Our Board and its committees

CDP 4.1, CDP 4.2

The Board of Directors has oversight of Air Canada's climate and other sustainability activities and strategies, and all Board committees are mandated to perform their activities having regard to them. Some matters that benefit from focused attention are reserved to certain committees. The Board annually reviews its committee charters with respect to climate and other sustainability reporting including in light of evolving sustainability disclosure standards.

Board of Directors

- As part of the strategic planning process, evaluates and reviews public issues of significance that may affect Air Canada's business, operations and stakeholders.
- Oversees, through the Audit, Finance and Risk Committee, the development of climate and other sustainability disclosures, processes and controls.
- Oversees, through the Governance and Nominating Committee, Air Canada's overall activities, policies and programs with respect to sustainability matters, including representation and inclusion.
- Oversees, through the Human Resources, Compensation and Pension Committee, the integration of certain climate and other sustainability matters in Air Canada's approach to compensation, human resources management strategies and organizational culture.
- Oversees, through the Safety, Health, Environment and Security Committee, Air Canada's safety, health, environment strategy, risk management and regulatory compliance and security policies and practices.

Board Committees

Audit, Finance and Risk

- Monitors trends relating to, and oversees the development of, control mechanisms and the integration of climate and other sustainability criteria in financial or other corporate reporting.
- Reviews the audit scope and approach of the internal and external auditors relating to climate and other sustainability matters.
- Reviews certain public disclosures and recommends them to the Board where appropriate.
- Reviews and recommends to the Board those elements of any annual or other report aligned to sustainability reporting standards and disclosures that emerge.

Governance and Nominating

- Reviews, monitors and evaluates trends and Air Canada's progress in its overall efforts with respect to sustainability matters and their integration in Air Canada's governance practices, including through quarterly updates on sustainability performance targets, issues, opportunities and key developments.
- Facilitates information sharing among the Board committees in respect of sustainability matters.
- Reviews and recommends to the Board the Code of Conduct and any amendments thereto.
- Reports regularly to the Board on its activities, findings and conclusions, including on policies, practices and progress on key climate and other sustainability matters, and provides guidance to the Board about the general strategy and direction with respect to such matters.
- Performs functions with respect to such other material reports, policies, statements and other guidelines as may be delegated by the Board from time to time.
- Receives and reviews periodic reports on Air Canada's sustainable procurement practices and the implementation of its supplier code of conduct.
- Reviews the key measurable objectives of Air Canada's linguistic action plan and monitors progress on the achievement of such objectives.

Human Resources, Compensation and Pension

- Performs its activities having regard for Air Canada's sustainability practices and strategies, including as to representation and inclusion
- Monitors trends in respect of sustainability matters and the integration of such performance metrics in compensation matters.
- Reviews whether Air Canada's human resources management strategies and organizational culture are aligned with its sustainability practices and strategies.

Learn more



Governance

2025 Management proxy circular

Annual information form 2024

- Reviews the key measurable objectives of Air Canada's representation and inclusion action plan and monitors progress on the achievement of such objectives.

Safety, Health, Environment and Security

- Performs its activities in accordance with Air Canada's sustainability practices and strategies, including as to representation and inclusion, and oversees key areas of Air Canada's approach to climate change.
- Monitor trends in respect of sustainability matters and their integration into Air Canada's health, safety and security policies, practices and performance.
- As part of its oversight of climate related and sustainability matters, reviews and recommends Air Canada's five-year climate action or other sustainability plans to the Board and monitors and evaluates progress on each of these plans in achieving its goals, objectives and target through the receipt of regular reports and updates from management and subject matter experts on key projects, initiatives and other developments.
- Reviews overall trends related to climate change adaption and mitigation including extreme weather events, insurance coverage, operational risks related to increasing temperatures and other environmental matters, emerging regulatory risks and reviews management's processes in response thereto.



Our management**CDP 4.3, CDP 4.5**

Our Corporate Sustainability Working Group tracks and co-ordinates our corporate sustainability initiatives, under the oversight of a Corporate Sustainability Steering Committee, made up of members of our Executive Committee. Our Head of Investor Relations and Corporate Sustainability leads the Corporate Sustainability Working Group, which comprises senior management subject matter experts from diverse functions. Several other working groups are tasked with advancing climate and other sustainability initiatives, such as in respect of customer engagement, climate, representation and inclusion, accessibility, official languages, community investments and human trafficking.



Control of ESG disclosures

Air Canada acknowledges the necessity of ensuring the integrity and consistency of its sustainability disclosures. Sustainability reporting contributes to maturing our sustainability program, and we will evolve and strengthen our existing control environment to ensure that the reliability of our disclosures meets the expectations of stakeholders and the evolving regulatory landscape. From the outset, we adopted a posture of continuously improving our sustainability disclosures and, accordingly, the way we report specific data has strengthened over time and is likely to continue to evolve in the future. The information provided in this report supersedes previous disclosures. We are thus committed to building continuous process improvement into the methodologies, data and assumptions that underlie our strategy, analysis and other information included in this report (including those used to calculate greenhouse gas (GHG) emissions).

Control environment

Air Canada's management is responsible for establishing and maintaining internal controls over material disclosures and voluntary reporting of sustainability matters. First, for effective governance, the corporate sustainability team oversees the overall disclosure framework and is responsible for collecting and reviewing with the various subject matter experts the information contained in this report to ensure consistency, accuracy, timeliness, relevance, reliability and for assurance readiness, as the case may be. Second, this report has undergone extensive reviews by our sustainability working groups and our steering and disclosure committees. Going forward, we are working toward implementing the Internal Controls over Sustainability Reporting (ICSR) control framework that mirrors the Internal Controls over Financial Reporting (ICFR) framework. This will require a review of the current process applied to all sustainability disclosures. Similar to the ICFR framework, in designing such a control environment, it should be recognized that due to inherent limitations, any control, no matter how well designed and operated, may not prevent or detect misstatements.

Oversight

The Audit, Finance and Risk Committee monitors the development and, through the work of internal and external auditors, the effectiveness of relevant sustainability disclosure controls, and it reviews sustainability disclosures prior to their publication. The committee also reviews the results of assurance engagements.

Assurance

We aim to secure the appropriate level of assurance of our sustainability disclosures by developing and maturing our sustainability programs. Air Canada's Corporate Audit and Advisory department provides assurance through its annual audit plan, which encompasses reviews of sustainability disclosures. In addition, PricewaterhouseCoopers LLP was engaged to perform limited assurance on certain key performance indicators including Scope 1 and Scope 2 GHG emissions, with Scope 1 being the largest component of our carbon footprint. We will continue to assess and determine the appropriate controls and level of assurance required for our key sustainability disclosures, working toward a reasonable level of assurance over time. Download the [Limited Assurance report](#).



Strategy CDP 3.1, CDP 3.5, CDP 7.5

Air Canada's climate-related initiatives are aimed at aligning with the Government of Canada's 2050 commitment of net-zero emissions, the International Air Transport Association (IATA) 2021 resolution for the global air transport industry to achieve net-zero carbon emissions by 2050 and the International Civil Aviation Organization (ICAO) member states' collective long-term global aspirational goal of net-zero carbon emissions by 2050. These ambitions align with the Paris Agreement and, to succeed, they will require the co-ordinated efforts of the entire aviation industry (e.g., airlines, airports, air navigation service providers, manufacturers) and significant government support.

We analyzed decarbonization scenarios required to limit warming to well-below 2°C and 1.5°C to forecast GHG emissions required by 2030 and by 2050. These analyses helped us assess the necessary measures to support our goals. In March 2021, Air Canada announced its climate-related ambition that sets out mid-term targets in support of its long-term aspirational goal of net-zero GHG emissions by 2050. Those mid-term targets are:

20%
GHG net reductions
from our **air operations**
compared to a 2019
baseline by 2030

30%
GHG net reductions
from our **ground
operations** compared
to a 2019 baseline
by 2030

\$50 M
research and development
investment fund
for low-carbon technologies to accelerate
decarbonization such as sustainable aviation
fuels (SAF), new aircraft technologies or
carbon reduction and removal technologies

Learn more



[Our 2021-25 five-year plan](#)

As noted, our ambitions, particularly for our net reduction target from our air operations, are dependent on new technologies and the availability of sufficient SAF and other renewable energies. Air Canada cannot achieve them alone; governments play an essential role in these efforts, and each stakeholder across the climate action chain must play their part.

Four key carbon reduction pillars were identified to be central to the advancement of our climate objectives and position us to leverage emerging climate-related opportunities:



Fleet and operations



Innovation



SAF and
renewable
energy



Carbon
reductions
and removals

Air Canada's climate-related initiatives build on existing value streams and activities based on these four key carbon reduction pillars.



The path to net zero is complex and subject to significant risk and uncertainty. Air Canada is focusing on short- to mid-term actions through a series of five-year-period implementation plans, the first of which began in 2021. These five-year plans will focus on elements that Air Canada expects can be meaningfully achieved over their timeframe and where opportunities are most readily achievable (e.g., ground and facility operations), while staying engaged on the development of long-term opportunities such as technological advancements and low-carbon fuels. Under the current five-year plan, Air Canada plans to notably cap its GHG emissions at its projected 2030 target levels (compared to a 2019 baseline), procure a minimum of one per cent of Air Canada's jet fuel use in SAF by the end of 2025 and continue working toward the electrification of its ground equipment. Climate research, global industry targets and the expectations of citizens can evolve and advance rapidly as new scientific data is made available and society responds through changes in legislation of climate policies, presenting both risk and opportunity.

The aviation industry includes many participants, many of which can play a meaningful role in reducing GHG emissions. Air Canada is accordingly engaged with stakeholders in the air transport system to advance and explore opportunities. Significant investments and research are being dedicated by the airline and other industries for various initiatives such as the development of innovative propulsion technologies and other efficiency measures. We will remain open to every new opportunity that will help make a difference in achieving our goals.

Climate change will affect our business operations and our stakeholders. Scenario analysis should support the quantitative analysis of climate threats including financial impact, likelihood and magnitude.

Operational performance, damage or loss of critical aviation infrastructure or changes in demand are among the many potential effects of climate change on our business and our resiliency. We established a Climate Change Risks Management and Adaptation workstream in 2022, which is assessing Air Canada's ability to adapt to the impacts of climate change on our business by (a) identifying and assessing climate change risks that are relevant for our business, (b) building climate knowledge to guide resilient decisions, (c) developing business climate resilience planning to address and manage the identified risks and (d) setting up a climate resilience framework to reiterate as the situation changes. This initiative results from collaboration between various internal branches and departments including Risk Management and Assurance, Flight Operations, Emergency Response and Environmental Affairs.



Climate-related risks

CDP 3.1, CDP 3.5, CDP 5.2, CDP 5.3, CDP 5.5

Risks	Potential financial impact	Horizon	Management method	
Carbon pricing mechanisms and new regulations	Air Canada and the airline industry are subject to new and evolving binding and non-binding legislation, regulations, stands and accords, including in relation to climate change and GHG emissions, such as the federal and provincial carbon pricing mechanism and related initiatives. This includes ICAO's (the International Civil Aviation Organisation) Carbon Offsetting and Reduction Scheme for International Aviation (CORSIA), a global market-based measure to address CO ₂ emissions from international aviation and implemented in Canada through the Canadian Aviation Regulations (SOR 96-433).	The potential financial impact is related to applicable carbon taxes and purchasing CORSIA Eligible Emissions Units (EEU) and/or CORSIA Eligible Fuels, which include CORSIA SAF and CORSIA lower carbon aviation fuels.	Short term	<p>To lessen the financial impact of CORSIA, which implements a cap on annual emissions from international flights through a carbon pricing mechanism, Air Canada is working toward reducing its GHG emissions. Streamlining, modernizing and upgrading our aircraft fleet, thereby increasing fuel-efficiency, supports our efforts to increase fuel-efficiency and reduce GHG emissions. We continue to renew and simplify our fleet, adding more fuel-efficient aircraft (refer to Air Canada's third quarter Management Discussion and Analysis for more details on Air Canada's current and planned fleet, as well as fleet capital expenditures):</p> <ul style="list-style-type: none"> • In 2024, Air Canada ordered five additional Airbus A220s, bringing firm orders to 65. The agreement with Airbus Canada also provides for purchase options for 10 additional A220-300 aircraft. Air Canada also acquired 40 Boeing MAX 737 aircraft in its fleet, all of which were delivered, and it has entered into a lease agreement for 12 additional Boeing MAX 8 aircraft, with deliveries expected to be completed in 2026. Purchase options for 10 additional Boeing 737 MAX are also available to Air Canada. • Air Canada announced the acquisition of 30 extra-long-range Airbus A321XLRs, with deliveries scheduled to begin in the first quarter of 2026 and the final scheduled to arrive in 2029. • Air Canada plans to acquire 14 Boeing 787-10 aircraft, of which 10 are scheduled to be delivered by 2028 and the remaining four by 2030. The purchase agreement includes options for 12 additional Boeing 787-10 aircraft. • Fuel efficiency: Since 2016, more than 120 fuel-efficiency projects have contributed to a reduction of more than 180,000 tCO₂e. <p>SAF, an industry term for alternative (non-fossil derived) aviation fuel, is a critical component for reducing our GHG emissions from air operations. Air Canada currently sources SAF through various suppliers around the world. Air Canada is at the forefront of pivotal Canadian aviation initiatives supporting and advancing the research and commercialization of SAF within an ecosystem consisting of airlines, airports, fuel suppliers, technology providers, feedstock producers, aerospace manufacturers, academia, finance and government. Air Canada has been working toward the procurement of CORSIA Eligible Fuels to fulfill its CORSIA obligations. Air Canada calculates a range for the financial impact of CORSIA, as many factors must be considered to quantify the impact, including:</p> <ul style="list-style-type: none"> • Calculating the annual requirements, which are based on the sectoral growth compared to the baseline. The sectoral growth factor is taken from the entire CO₂ emissions from international aviation. Airlines will rely on industry growth projections to evaluate their own annual CORSIA requirements until they are fully compiled and reconciled by ICAO. Air Canada uses projected low, medium and high industry growth factors to estimate the annual CORSIA requirements. • Estimating the cost of the CORSIA requirements calculated in the first steps. Air Canada relies on various sources to estimate the unit cost of CORSIA EEU and uses a low and high unit cost to evaluate the financial impact.



Risks	Potential financial impact	Horizon	Management method
Carbon pricing mechanisms and new regulations	<p>Air Canada and the airline industry are subject to new and evolving binding and non-binding legislation, regulations, stands and accords, including in relation to climate change and GHG emissions, such as the B.C. Low Carbon Fuel Standard (LCFS) Act and the Renewable and Low Carbon Fuel Requirements Regulation, commonly referred to as the B.C. Low Carbon Fuel Standard (B.C. LCFS), which was implemented by the province on Jan. 1, 2024, and will take effect for the aviation industry as of Jan. 1, 2026. In addition, both the European Union's ReFuelEU Aviation Regulations and the U.K. Sustainable Aviation Fuel Mandate took effect on Jan. 1, 2025.</p>	<p>The potential financial impact may be associated with increased cost related to the procurement of low-carbon jet fuel or SAF at high premium, or to the procurement of regulatory compliance credits under the B.C. LCFS regulations.</p>	<p>Short term</p> <p>Under the B.C. LCFS, jet fuel suppliers or importers (being obligated parties) of conventional fossil-based fuels will be required in 2026 to achieve a two per cent reduction in carbon intensity compared to the baseline of 88.83g CO₂e/MJ and increasing annually to 10 per cent by 2030. Additionally, a renewable blending mandate for jet fuel will begin in 2028 at one per cent, increasing progressively to three per cent in 2030 onward.</p> <p>Fossil-derived jet fuel is an obligated fuel under the B.C. LCFS, meaning obligated parties must begin supplying biomass-derived jet fuel, procure credits from other obligated users or adopt other low-carbon alternatives to meet the targets.</p> <p>In 2025, the ReFuelEU Aviation Regulation set a legal obligation on fuel suppliers to supply a minimum of two percent blend of SAF with conventional jet fuel to EU airports, increasing incrementally to 70 per cent by 2050. The U.K. SAF Mandate is similar as it sets an obligation on fuel suppliers in the U.K. to supply an increasing proportion of jet fuel made from sustainable sources over time. From 2025, SAF is required to make up two percent of total U.K. jet fuel demand, increasing linearly to at least 10 per cent by 2030 and to 22 per cent by 2040. Policies that mandate the uplift of SAF at airports, such as those enacted in B.C., the EU and U.K. and are under consideration in other jurisdictions, will raise the fuel operating costs and potentially impact demand for travel. Policymakers in Canada could enact similar policies using such mechanisms as the Clean Fuel Regulations (CFR). In addition to B.C., there is a risk of increased provincial policy activity — possibly aimed at mandating airlines to purchase or implement alternatives to lower GHG emissions, related to jet fuel or otherwise. The increase in taxes on fossil fuels with the intent to incentivize the use of alternative cleaner fuel sources is another policy risk.</p> <p>As part of its strategy to reduce its GHG emissions over time, Air Canada focuses on modernizing its fleet, supports the development and use of SAF and takes steps to reduce the future impacts of policies that mandate the uplift of SAF at airports:</p> <ul style="list-style-type: none"> • Air Canada is developing a multifaceted long-term SAF strategy, aimed at controlling costs while also collaborating with our value chain in scaling the SAF market to help meet our ambitions. We continue advocating for effective policies that take an incentive-based approach and are long lasting with clear implementation guidance. We believe this approach has the strongest potential to create the right environment for stakeholder collaboration and an appropriate level of financial investment across the SAF value chain. • In 2024, Air Canada announced the procurement of nearly 78 million litres of unblended neat Neste MY Sustainable Aviation Fuel™ for flights from Vancouver. Deliveries began in 2024 with shipments planned to continue through 2025. As an importer of SAF into B.C., Air Canada leveraged the opportunity to generate regulatory compliance credits under the B.C. LCFS. • In 2024, Air Canada purchased around 101,000 litres of Canada's first batch of low carbon aviation fuel, produced by Parkland at its Burnaby, B.C. refinery, marking a major step toward the production of Canadian-made solutions that can help lower aviation sector emissions, foster economic growth and support low-carbon ambitions. • Air Canada is also pursuing investments through its \$50 million research and development fund that could help scale the SAF market.

Risks	Potential financial impact	Horizon	Management method	
Transition to lower emissions technology and products	Airline industry emissions are hard to abate and new technologies such as hydrogen, electric and hybrid aircraft are not yet in market on a commercial scale.	The financial impact will include prolonged compliance cost associated with GHG emissions regulations due to operating conventional jet-fuelled aircraft while waiting for alternative aircraft to come to market as well as the cost of sourcing and implementing new technologies.	Long term	Alternative propulsion for aviation is not expected to come to market on a commercial scale in the short or medium term, unlike other transportation sectors that already have access to lower-emission technologies. In addition, a comprehensive transformation of the aviation ecosystem and existing airport infrastructure will be essential to enable the adoption of alternative propulsion technologies. Revolutionary aircraft powered by electricity or hydrogen require substantial quantities of energy – resources that are currently either unavailable or insufficiently distributed. The availability of these energy sources will depend heavily on the readiness of local airport infrastructure and the robustness of supporting supply chains. As a result, the commercial scale and costs of these technologies are currently unknown. Air Canada is actively involved in following innovative technologies as they mature. We will look for opportunities to support their commercial scale-up while at the same time promoting safety and performance. Among other opportunities, in 2022, we agreed to purchase 30 ES-30 hybrid-electric aircraft under development by Heart Aerospace in Sweden, subject to conditions, including in relation to the design and specifications of the aircraft, which would not be expected to start entry into service before at least 2029. The regional aircraft are being designed to generate fewer GHG emissions when flying on battery power and are expected to yield significant operational savings, benefits and connectivity to local communities over the long term.
Changing customer behaviour and expectations	Some organizations or leisure travellers may be focused on decreasing their travel to lower their overall carbon footprint. The evolving nature of business models and remote-work practices as well as the interest in more sustainable practices could impact demand for air travel.	The financial impact could be associated with decreased revenues due to reduced demand for products and services.	Medium term	<p>Air Canada recognizes its customers' expectations. We communicate and disclose our climate-related ambition and performance through various methods. For example, we disclose information through certain reporting channels targeted to specific audiences, such as CDP, TCFD, EcoVadis or Smart Freight Centre's Airline ESG Survey. Air Canada also engages with its customers through:</p> <ul style="list-style-type: none"> • Leave Less Travel Program (provided by Choose): Customers have the voluntary option to purchase carbon offset credits together with Scope 3 environmental attributes associated with SAF. The total cost of this combined purchase is calculated on the basis of an estimate of the GHG emissions of their flight(s). • Aeroplan: When an individual books a flight using Aeroplan points or a combination of points and cash, Air Canada will offset its estimated Scope 1 GHG emissions by purchasing carbon offset credits based on the GHG emissions estimated to be associated with their flights. Specifically, the carbon offset credits retired will be an amount equivalent to the estimated GHG emissions associated with the portion of their itinerary that is operated by Air Canada, once the flight is completed. • Leave Less Travel Program: Corporate customers and cargo freight forwarders have the opportunity to purchase Scope 3 environmental attributes associated with SAF, carbon offset credits or a combination of both related to their own business air travel or cargo shipments on Air Canada.

Risks	Potential financial impact	Horizon	Management method	
Increased partner and stakeholder concern or negative partner and stakeholder feedback	Any perceived climate inaction by airlines in general or by Air Canada may adversely impact Air Canada's reputation and lead customers to seek alternative providers or alternative means of travel.	If perceptions negatively influence consumer choice and loyalty, this could possibly impact revenues due to reduced demand for products and services.	Medium term	Air Canada understands the importance of addressing climate change concerns and communicating with its stakeholders to raise awareness and provide updates on its environmental efforts. We communicate and disclose our climate strategy and performance to myriad stakeholders through various communications methods and channels. Further, we disclose information through certain reporting channels targeted to specific audiences, such as CDP, TCFD, EcoVadis or Smart Freight Centre's Airline ESG Survey. In 2024, Air Canada decreased its CDP Climate Score to C from B- and released a detailed 2023 TCFD summary.
Reputation	Risks related to inaction (or perceived inaction) in respect of the environment.	The potential financial impact may be associated with the potential negative perception influencing consumer choice and loyalty. This could possibly impact revenues due to reduced demand for products and services.	Short term	Air Canada maintains an environmental policy and ensures it complies with all laws and regulations. Air Canada also diligently ensures that it maintains transparency and that its statements related to environmental sustainability are substantiated and verifiable.
Acute weather events	Climate change could increase both the severity and intensity of weather-related events that impact operations such as turbulence, thunderstorms and other disruptive weather events including jet streams, floods (rain fall) and forest fires.	The potential financial impact may be associated with increased indirect operational costs relating to weather-related disruptions.	Short term	Through its System Operations Control (SOC), Air Canada monitors acute weather events to ensure a safe operation and to plan and respond to potential disruptions in service. Air Canada established a Climate Change Risks Management and Adaptation workstream in 2022 to study Air Canada's ability to adapt to the impacts of climate change on our business by (a) identifying and assessing climate change risks that are relevant for our business, (b) building climate knowledge to guide resilient decisions, (c) developing business climate resilience planning to address and manage the identified risks and (d) setting up a climate resilience framework to reiterate as the situation changes.
Chronic weather events	Climate change could create changes in the ecosystem of tourist destinations, which could result in a shift away from travel to such destinations.	The potential financial impact may be associated with decreased revenues due to reduced demand for products and services.	Long term	Air Canada's Network Planning department integrates scheduling assumptions where regular seasonal weather events negatively impact customer travel. Network Planning also monitors annual weather occurrences to evaluate new chronic weather patterns that could affect customer bookings. Air Canada will continue to assess and evaluate this climate risk and potential response through its Climate Change Risks Management and Adaptation working group.

Climate-related opportunities

Our activities in seeking to adapt or mitigate the effects of climate change may create the opportunities noted below:

Opportunities	Potential financial impact	Horizon	Management method	
Fleet efficiency	Use of more fuel-efficient aircraft: Air Canada's new, more fuel-efficient fleet will help mitigate the intensity of its GHG emissions.	The actual impact of this opportunity, which will depend on a variety of factors, has not been assessed or quantified financially.	Medium term	<p>Air Canada's new and upcoming fuel-efficient fleet will help mitigate its GHG emissions. Certain older and less fuel-efficient aircraft have been permanently retired from its fleet and new and more fuel-efficient aircraft have been or will be introduced, which is expected to improve Air Canada's cost structure, notably as it relates to jet fuel, and lowering its GHG emissions. As Air Canada implements its climate-related ambition, engagement in our value chain will evolve:</p> <ul style="list-style-type: none"> • In 2024, Air Canada ordered five additional Airbus A220s, bringing firm orders to 65. The agreement with Airbus Canada also provides for purchase options for 10 additional A220-300 aircraft. Air Canada also acquired 40 Boeing MAX 737 aircraft in its fleet, all of which were delivered, and it has entered into lease agreement for 12 additional Boeing MAX 8 aircraft, with deliveries expected to be complete in 2026. Purchase options for 10 additional Boeing 737 MAX are also available to Air Canada. • Air Canada announced the acquisition of 30 extra-long-range Airbus A321XLRs, with deliveries scheduled to begin in the first quarter of 2026 and the final scheduled to arrive in 2029. • Air Canada plans to acquire 14 Boeing 787-10 aircraft, of which 10 are scheduled to be delivered by 2028 and the remaining four by 2030. The purchase agreement includes options for 12 additional Boeing 787-10 aircraft.
Use of low-carbon energy sources	Air Canada's participation, policy advocacy and investment in SAF research and development.	The impact of this opportunity, which will depend on a variety of factors, has not been assessed or quantified financially.	Medium term	<p>Air Canada has supported the development of SAF in Canada and has committed to investing in SAF. Air Canada has engaged with government and other stakeholders to accelerate the research, development and establishment of a SAF supply chain in Canada, including as a founding member of C-CSAF, a not-for-profit organization that wants to accelerate the commercial production and deployment of SAF in Canada. Air Canada set a target to procure a minimum of one per cent of its jet fuel use in SAF by end of 2025. In 2024, Air Canada:</p> <ul style="list-style-type: none"> • Purchased around 101,000 litres of Canada's first batch of low carbon aviation fuel, produced by Parkland at its Burnaby refinery in B.C., marking a major step toward the production of a Canadian-made solutions that can help lower aviation sector emissions, foster economic growth and support low-carbon ambition. • Procured nearly 78 million litres of unblended neat Neste MY Sustainable Aviation Fuel™. • Purchased about 12 million US gallons of SAF compared to about 1.5 million US gallons of SAF in 2023. We estimate the need for SAF to be roughly 25 million US gallons in 2025 in order to meet our minimum of one per cent SAF target.

Opportunities	Potential financial impact	Horizon	Management method	
Use of supportive policy incentives	Air Canada's participation, policy work and investment in SAF research and development.	The impact of this opportunity, which will depend on a variety of factors, has not been assessed or quantified financially.	Medium term	<p>The federal Clean Fuel Regulations (CFR), published in June 2022, encourages production of Canadian sustainable and low-carbon aviation fuels in comparison with other renewable fuels and considers cost barriers. As a member of National Airlines Council of Canada (NACC), Air Canada supported policy work done on the CFR to ensure an efficient CFR that will assist in driving the Canadian production of sustainable and low-carbon aviation fuels. As of July 1, 2023, SAF is eligible to generate credits under the program. On Sept. 5, 2025, the federal government announced forthcoming amendments to the CFR to support the domestic biofuels industry and the introduction of a new biofuel production incentive with a time-bound focus on biofuels derived from canola feedstock. It is too early to determine if this could lead to an opportunity for the production of SAF.</p> <p>In 2023, the B.C. government published its Low Carbon Fuel Act to modernize its existing Low Carbon Fuel Standard (LCFS) and expand its scope to aviation fuels. On Jan. 1, 2026, suppliers and importers of fossil-derived jet fuel will be required to meet an annual carbon intensity reduction target starting at two per cent and progressing to 10 per cent by 2030. Furthermore, a renewable blending mandate is set at one per cent renewable fuel content starting in 2028 and increasing to three per cent by 2030. Since Jan. 1, 2024, producers or importers of low carbon jet fuel or sustainable jet fuel can generate regulatory compliance credits under the program.</p> <p>Air Canada has generated regulatory compliance credits under both programs for reporting year 2024 with the importation of unblended neat Neste MY Sustainable Aviation Fuel™ for flights from Vancouver.</p>
Use of low-carbon energy sources	Although Air Canada's facilities make up a small fraction of our overall GHG emissions, Air Canada is actively including renewable energy sources like renewable natural gas (RNG) and renewable electricity certificates (RECs) and is evaluating energy transition measures for its facility operations.	The impact of this opportunity, which will depend on a variety of factors, has not been assessed or quantified financially.	Short term	<p>Air Canada's Renewable Energy Taskforce identifies opportunities to reduce GHG emissions from facilities. Renewable natural gas (RNG) in our Montréal-owned facilities was about 15 per cent of overall volumes in 2024, and we also started adding volumes in our owned facilities in Vancouver.</p> <p>In 2023, we began purchasing renewable energy certificates for all electricity consumption across Canada (except Quebec, B.C. and Manitoba, as their respective electricity carbon intensity is already low).</p> <p>In 2024, we began receiving renewable diesel for our ground mobile equipment located at the Vancouver airport. The volumes of renewable diesel received represents roughly 14 per cent of the total diesel fuel requirement for our operations across Canada.</p>

Opportunities	Potential financial impact	Horizon	Management method
Electrification of mobile equipment	Air Canada looks to adopt new technologies and innovative practices to reduce GHG emissions wherever available and feasible. Our focus includes the electrification of our fleet of ground support equipment, such as baggage tractors, although our ground operations make up a small fraction of our overall GHG emissions.	The impact of this opportunity, which will depend on a variety of factors, has not been assessed or quantified financially.	Short term Although Air Canada's ground operations make up a small fraction of its overall GHG emissions, Air Canada looks to adopt new technologies and innovative practices to reduce GHG emissions wherever available and feasible. Since 2022, we have engaged with many Canadian airport authorities to accelerate the installation of charging infrastructure to support our electrical ground support equipment (e-GSE) rollout across the country. Airports across Canada continued to introduce charging infrastructure in 2024. For example, Vancouver Airport Authority installed 30 charging stations in 2023. Toronto Airport Authority currently has 35 units in its charging infrastructure, with plans to install additional units. We continue to move forward with investments in our ground operations as well. In 2024, 287 new e-GSE units were added to the fleet across Canada. We deployed the first phase of our ground support equipment upgrade in Montréal as part of our multi-year investment in new ground support equipment (GSE), which includes 30 modern generation Charlotte electric baggage tractors. Additionally, we deployed another six new Power Stow belt loaders. We also included two new container loaders, 11 new aircraft electric tractors, additional tow bars and some new support vehicles. These upgrades replace and replenish older generation diesel tractors, reducing our reliance on fossil fuels.
Use of new technologies	Hydrogen, electric and hybrid aircraft technologies present a future opportunity for the aviation industry.	The impact of this opportunity, which will depend on a variety of factors, has not been assessed or quantified financially.	Long term Although these products are not expected to come to market in a commercially meaningful way in the short or medium term, Air Canada remains actively involved in following these innovative technologies as they mature and looks to support the commercial scale-up while always promoting safety and performance. In 2022, Air Canada announced a purchase agreement for 30 ES-30 hybrid-electric aircraft under development by Heart Aerospace in Sweden. The purchase remains subject to conditions including in relation to the design and specifications of the aircraft, which would not be expected to start entry into service before at least 2029.
Development of new products or services through R&D and innovation	Air Canada looks to offer customers products and services to mitigate the impact of their flight.	The impact of this opportunity, which will depend on a variety of factors, has not been assessed or quantified financially.	Short term Air Canada also engages with its customers through: <ul style="list-style-type: none">• Leave Less Travel Program (provided by Choose): Customers have the voluntary option to purchase carbon offset credits together with Scope 3 environmental attributes associated with SAF. The total cost of this combined purchase is calculated on the basis of an estimate of the GHG emissions of their flight(s).• Aeroplan: When an individual books a flight using Aeroplan points or a combination of points and cash, Air Canada will offset its estimated Scope 1 GHG emissions by purchasing carbon offset credits based on the GHG emissions estimated to be associated with their flight. Specifically, the carbon offset credits retired will be an amount equivalent to the estimated GHG emissions associated with the portion of their itinerary that is operated by Air Canada, once the flight is completed.• Leave Less Travel Program: Corporate customers and cargo freight forwarders have the opportunity to purchase Scope 3 environmental attributes associated with SAF, carbon offset credits or a combination of both related to their own business air travel or cargo shipments on Air Canada.

Climate scenario analysis

CDP 5.1

In 2009, we endorsed the global aviation industry climate action plan and targets to mitigate CO₂ emissions. International industry targets were set based on the analysis of a scenario derived from the then-modelled forecast of increased demand in aviation services globally and the goal of reducing the climate impact of that increased demand. These targets were established before the Paris Agreement was introduced, underscoring the goal to limit the global temperature increase to well-below 2°C above pre-industrial levels and to pursue efforts to limit the increase to 1.5°C. The climate-science consensus was refined in the late 2010s, including with the release of the 2018 IPCC Special Report outlining the impacts' differences between a global warming rise of 1.5°C versus 2°C. In 2019, we began building a holistic and in-depth climate approach, focusing on transitioning to a low-carbon economy and potential goals aligned with climate science. We considered Canada's climate commitments and the IPCC's latest guidance available at the time. Similar to IATA and ICAO goals, we concluded on the need for a long-term aspirational goal and mid-term targets and for developing potential pathways to achieve them. These analyses were used as transition scenarios for our qualitative assessment.

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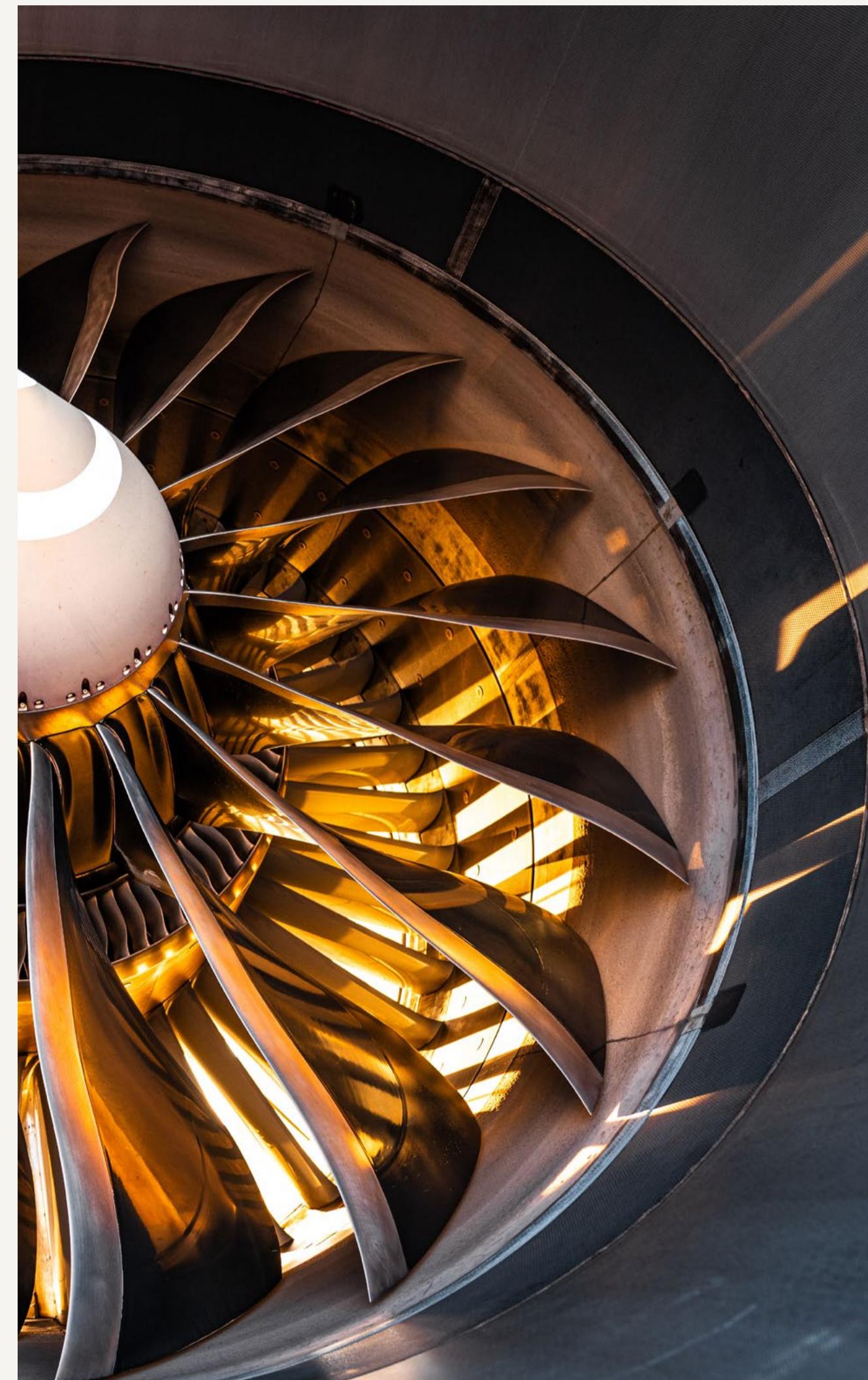
Risk management

CDP 2.1, CDP 2.2

The management of opportunities and risks is an integral part of Air Canada's business processes. Strategic decisions are made by the executive team with consideration of risk implications to the business and its stakeholders. Air Canada's risk management follows the "Three Lines Model" with business functions managing risks, support functions overseeing and setting policies and Corporate Audit and Advisory providing independent and objective perspective. Risks that may be material to Air Canada are identified and monitored on an ongoing basis through Air Canada's Enterprise Risk Management (ERM) program, which provides insight on a regular basis to the Board of Directors through the Board's Audit, Finance and Risk Committee.

Board oversight

Risk management is an integral part of Air Canada's corporate governance. The Board of Directors has established board committees (Audit, Finance and Risk Committee; Safety, Health, Environment and Security Committee; Governance and Nominating Committee; and Human Resources, Compensation and Pension Committee) to assist in the oversight responsibilities. Risk information is reviewed by the Board or the relevant Board committee on a quarterly basis. In addition, Board committees regularly review and discuss with management, all key enterprise risks as set out in each committee charter, as well as the steps taken that seek to monitor and mitigate those risks, in order to assess the effectiveness of the risk management. These processes seek to appropriately mitigate rather than eliminate risk. The Audit, Finance and Risk Committee is responsible for the oversight of the ERM program and the work carried out by the Corporate Audit and Advisory department, as stated in its committee charter. ERM risk reporting is maintained by the Corporate Audit and Advisory department, which provides an update of each enterprise risk on a quarterly basis.



Metrics and targets

CDP 7.2, CDP 7.4, CDP 7.6, CDP 7.7, CDP 7.8, CDP 7.9

As Canada's largest airline, we align with industry standards and are aiming to measure our impacts, where reasonably possible. From 2007 to 2024, information on Air Canada's GHG emissions, targets and climate ambition were reported through the CDP. Established in 2000, the CDP is a global disclosure system 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 latest CDP response, visit www.cdp.net. We have engaged PricewaterhouseCoopers LLP to perform an independent, limited assurance engagement on certain 2024 indicators, including the Scope 1 and Scope 2 emissions contained in this index. For information regarding the scope of the assurance and statement, please read the [limited assurance report](#). For information regarding the standards, methodologies, assumptions and calculation tools used to compile the metrics disclosed in this report, please read Air Canada's [GRI Content Index](#). Disclosure procedures for the data contained herein are documented (including how the data should be gathered and analyzed by the responsible parties with appropriate subject matter expertise) and reviewed. This is monitored and reviewed periodically for effectiveness. ESG disclosures, commitments and progress are monitored at the corporate level. Periodic reports are shared with the relevant Board committees having oversight over ESG matters. Finally, Air Canada is currently reviewing how it may further develop and mature its control environment, including by leveraging automation to advance data extraction, validation and internal controls regarding key climate data.



Historical emissions data

The largest component of Air Canada's GHG emissions comes from direct fuel combustion (Scope 1), which represents the majority of emissions associated with air transport.

Direct (Scope 1) GHG emissions

GRI 305-1

Gross direct (Scope 1) GHG emissions	Unit	2019* (baseline)	2024	2023	2022
Electricity, heating, cooling and steam generation	tCO ₂ e	32,302	24,264	25,187	26,806
Transportation of materials, products, waste, employees and passengers	tCO ₂ e	13,158,608	12,107,057	11,321,894	9,470,056
Fugitive emissions	tCO ₂ e	499	984	823	416
Biogenic CO ₂ emissions (SAF and RNG)	tCO ₂ e	-	123,168	16,078	5,686
Total gross direct GHG emissions	tCO₂e	13,191,409	12,255,473	11,363,982	9,502,965

*As part of Air Canada's Climate Action Plan, interim targets in 2030 use 2019 as a baseline year.

Air Canada has prepared its Scope 1 GHG emissions in accordance with the methodology and guidelines described in the GHG Protocol, A Corporate Accounting and Reporting Standard, Revised Edition. Air Canada follows the operational control metrics and targets. 2024 total gross direct GHG emissions are covered by the [limited assurance report](#) of PricewaterhouseCoopers LLP.

Energy indirect (Scope 2) GHG emissions

GRI 305-2

Gross location-based energy indirect (Scope 2) GHG emissions	Unit	2019* (baseline)	2024	2023	2022
Electricity (historical)	tCO ₂ e	11,481	-	6,125	8,404
Electricity (restated)	tCO ₂ e	11,778	7,123	7,069	8,940
Electricity (% change)		2.6%		15.4%	6.4%
Total gross energy indirect GHG emissions	tCO₂e	11,778	7,123	7,069	8,940
Market-based energy indirect (Scope 2) GHG emissions	Unit	2019* (baseline)	2024	2023	2022
Electricity (historical)	tCO ₂ e	11,481	-	3,017	8,404
Electricity (restated)	tCO ₂ e	11,778	3,805	3,961	8,940
Electricity (% change)		2.6%		31.3%	6.4%
Total gross energy indirect GHG emissions	tCO₂e	11,778	3,805	3,961	8,940

*As part of Air Canada's Climate Action Plan, interim targets in 2030 use 2019 as a baseline year.

2024 total gross location-based energy indirect (Scope 2) GHG emissions and total market-based energy indirect (Scope 2) GHG emissions are covered by the [limited assurance report](#) of PricewaterhouseCoopers LLP.

Air Canada is dedicated to improving its data quality and accuracy on a continual basis. In 2023, some changes related to the methodology, emission factors and global warming potentials were made to improve and update historical data. More information is available in Air Canada's GRI Content Index at www.aircanada.com/citizensoftheworld. Air Canada has prepared its Scope 2 GHG emissions in accordance with the methodology and guidelines described in the GHG Protocol, A Corporate Accounting and Reporting Standard, Revised Edition.

Air Canada Scope 2 emissions relate to Air Canada's indirect electricity consumption. Considering the worldwide operations of Air Canada, Air Canada reports its Scope 2 emissions with the location-based and market-based methods, with the operational control approach to ensure consistency across its global network.

In 2024, Air Canada restated its Scope 2 location-based and market-based emissions data due to updates made to the internal data used in the Scope 2 emissions calculations. A review of lease agreements and floor plans revealed that building surface areas were not accurately captured and were updated for 2024 and retroactively back to 2019. Furthermore, surface areas in certain locations pertained to land areas, whereas building areas need to be used when estimating energy consumption of a facility. These areas were also updated for 2024 and retroactively back to 2019.

Changes to a facility's surface area impacted Scope 2 emissions because Air Canada estimates electricity consumption from facilities where electricity consumption is unknown based on a kilowatt hours per square metre (kWh/m²), also referred to as the energy ratio. This ratio is calculated using buildings with a known electricity consumption and is calculated separately for each region where Air Canada operates.

Comparative years were not restated for emissions factors included in the updated National Inventory Report published in 2025. The impact of this decision is that year-over-year comparison may not fully capture changes attributable to updated emissions factors, though the overall trend remains directionally consistent. Beginning with the next reporting cycle, most recent emission factor years will be used in order to ensure alignment with reporting years, improve comparability and ensure methodological consistency going forward.



Other indirect (Scope 3) GHG emissions

GRI 305-3

	Unit	2019* (baseline)	2024	2023	2022
Gross other indirect (Scope 3) GHG emissions	tCO₂e	1,605,161	895,181	937,417	1,006,648
Upstream Scope 3 emissions					
Category 1 - Purchased goods and services	tCO ₂ e	1,605,161	895,181	937,417	1,006,648
Category 2 - Capital goods	tCO ₂ e	TBD	TBD	TBD	TBD
Category 3 - Fuel- and energy-related activities (not included in Scope 1 or Scope 2)	tCO ₂ e	TBD	TBD	TBD	TBD
Category 4 - Upstream transportation and distribution	tCO ₂ e	TBD	TBD	TBD	TBD
Category 5 - Waste generated in operations	tCO ₂ e	TBD	TBD	TBD	TBD
Category 6 - Business travel	tCO ₂ e	TBD	TBD	TBD	TBD
Category 7 - Employee commuting	tCO ₂ e	TBD	TBD	TBD	TBD
Category 8 - Upstream leased assets	tCO ₂ e	NA	NA	NA	NA
Downstream Scope 3 emissions	tCO₂e	7,945	4,592	5,540	6,554
Category 9 - Downstream transportation and distribution	tCO ₂ e	NA	NA	NA	NA
Category 10 - Processing of sold products	tCO ₂ e	TBD	TBD	TBD	TBD
Category 11 - Use of sold products	tCO ₂ e	TBD	TBD	TBD	TBD
Category 12 - End-of-life treatment of sold products	tCO ₂ e	TBD	TBD	TBD	TBD
Category 13 - Downstream leased assets	tCO ₂ e	8,860	4,592	5,271	6,554
Category 14 - Franchises	tCO ₂ e	NA	NA	NA	NA
Category 15 - Investments	tCO ₂ e	TBD	TBD	TBD	TBD
Total gross indirect GHG emissions	tCO₂e	1,613,107	899,773	942,957	1,013,202

*As part of Air Canada's Climate Action Plan, interim targets in 2030 use 2019 as a baseline year.

Notes: TBD means "To be determined (currently under investigation)" and NA means "Not applicable to Air Canada."

Air Canada's Scope 3 emissions relate to certain emissions from third parties engaged in its operations (e.g., GHG emissions from jet fuel consumption from Air Canada Express carriers and GHG emissions from natural gas and electricity consumptions from tenants). Air Canada has prepared its Scope 3 GHG emissions with the data currently available in accordance with the methodology and guidelines described in the GHG Protocol, A Corporate Accounting and Reporting Standard, Revised Edition. Air Canada's Scope 3 GHG emissions are not covered by the limited assurance report of PricewaterhouseCoopers LLP.

