

INDEPENDENT LIMITED LEVEL ASSURANCE REPORT

To the Board of Directors and Management of Air Canada

We have undertaken a limited level assurance engagement in relation to selected performance indicators reported by Air Canada in their 2014 Corporate Sustainability Report and in their 2014 Global Reporting Initiative (“GRI”) table (the “Report”) for the year ended December 31, 2014.

Our responsibilities

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

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

Scope of our engagement

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

- ▶ Health and safety:
 - Indicator 1 – **Total injuries**: Number of occupational health and safety reports submitted by employees in 2014;
 - Indicator 2 – **Total lost time injuries**: Number of 2014 injuries causing the employee to lose time that have been approved or pending;
 - Indicator 3 – **Total lost time injury days**: Number of work days lost as a result of new lost time injuries that occurred in 2014 which have been approved or pending;
- ▶ Customer privacy:
 - Indicator 4 – **Privacy complaints**: Number of substantiated privacy complaints submitted by customers in 2014;
- ▶ Environment:
 - Indicator 5 – **Total energy consumption**: Total 2014 energy consumption within the organization; and
 - Indicator 6 – **Direct GHG emissions**: Total 2014 scope 1 greenhouse gas (“GHG”) emissions.

The limited assurance engagement in relation to Indicators 1 to 5 was carried out in accordance with ISAE 3000. The limited assurance engagement in relation to Indicator 6 was carried out in accordance with ISAE 3410.

Criteria

The criteria used to evaluate the Indicators consisted of the relevant guidance contained within the GRI G4 Guidelines, as well as criteria developed internally by Air Canada.

The relevant guidance contained in the Greenhouse Gas Protocol Corporate Accounting and Reporting Standard (“GHG Protocol”) was used as an additional criterion to evaluate Indicator 6.

Air Canada’s management responsibilities

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

Level of assurance

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

Work performed

In order for us to express a conclusion in relation to the above Indicators, we have considered the following questions:

Completeness

- ▶ Has Air Canada fairly presented the Indicators with respect to the organizational and operational boundaries and time period defined in the Report?
- ▶ Has Air Canada collated corporate data relating to the Indicators from all relevant operations level data?

Accuracy

- ▶ Are the Indicators accurate and sufficiently detailed for stakeholders to assess Air Canada's performance?

The procedures we undertook to form our conclusions included, but were not limited to:

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

Limitations of our work performed

Our procedures did not include providing conclusions in relation to:

- ▶ The completeness or accuracy of data sets or information relating to areas other than the Indicators
- ▶ Information reported by Air Canada other than in its Report
- ▶ Management's forward looking statements
- ▶ Any comparisons made by Air Canada against historical data
- ▶ The Report being in accordance with the requirements of the Core option of the GRI G4 Guidelines
- ▶ The appropriateness, sufficiency or completeness of definitions for internally developed criteria

Our conclusions

Subject to the limitations of our scope noted above, and based on our work as described in this report, we conclude that nothing has come to our attention that causes us to believe that the Indicators are not, in all material respects, fairly presented in accordance with the GRI G4 Guidelines, the GHG Protocol and internally developed criteria.



August 28, 2015
Montreal, Canada