

GRI Content Index - 2017

▪ GENERAL STANDARD DISCLOSURES

Organization Profile

102-1

Name of the organization

Air Canada

102-2

Activities, brands, products, and services

[2017 Annual Report](#), p. 12

[2017 AIF](#), p.3-4

102-3

Location of headquarters

7373 Côte-Vertu Boulevard West, Saint-Laurent, Quebec, Canada, H4S 1Z3

102-4

Location of operations

[2017 Annual Report](#), p. 12

[2017 AIF](#), p.3-10

102-5

Ownership and legal form

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

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

102-6

Markets served

[2017 Annual Report](#), p.12-17

[2017 AIF](#), p.3-10 &25-29

102-7

Scale of the organization

[2017 Annual Report](#), p. 2,12, 46-47, 84

[2017 AIF](#), p. 3-4, 11, 17-18, 36-38

102-8

Information on employees and other workers

Through its entire network, in 2017 Air Canada included 32,000 employees working worldwide. Please refer to the attached [chart for details](#). Air Canada does not have a substantial portion of the organization's work performed by workers other than employees.

102-9

Supply chain

Air Canada works with various suppliers worldwide. Air Canada has more than 8,000 individual suppliers and in 2017 it spent \$5.9 billion on products and services from Canadian suppliers alone, excluding fuel and labour. Its total supplier spending was \$10.9 billion. For Air Canada Vacations®, there were 1130 suppliers for which payments in excess of \$5,000 were made in 2017. The top three suppliers to Air Canada Vacations® were Air Canada and two hotel chains.

Despite the size of the supply chain, more than 81 per cent of expenditures go to the top 100 suppliers. Several organizations within Air Canada are charged with managing these relationships but Strategic Procurement, whose purview also includes fuel purchases, accounts for the majority of the sourcing of these expenditures. Air Canada endeavours to source locally wherever commercially feasible.

Air Canada has developed a Supplier Code of Conduct (SCC) which is a key component of its responsible and sustainable sourcing strategy. The code is principle-based and sets out our expectations of suppliers to ensure their behaviour aligns with Air Canada standards in the following key areas: business integrity, responsible business practices, responsible treatment of individuals and environment.

102-10

Significant changes to organization and its supply chain

[2017 Annual Report](#), p. 4-7, p. 17

[2017 Annual Information Form](#), p.3-4, 34-38

102-11

Precautionary Principle or approach

Air Canada has an enterprise risk management process which follows the precautionary principle. Risks which may be material to Air Canada are identified by the company's Enterprise Risk Management (ERM) process through a periodic risk assessment, which identifies and weighs the impact, likelihood and vulnerability of each identified risk. Corporate Audit & Advisory (Internal Audit) conducts ERM assessments to understand, document & report to Management and the Board's Audit, Finance & Risk Committee (which assists the Board of Directors in

the discharge of its oversight responsibility in relation to the enterprise risk management process) all key enterprise risk exposures and the steps management has taken to monitor/control and mitigate those exposures.

102-12

External initiatives

Air Canada was the first airline to join the World Bank's IMF Carbon Pricing Leadership Coalition.

In addition, under Canada's Biojet Supply Chain Initiative, Air Canada has been working with partners in industry, academia and government to better understand the biofuel supply chain and introduce 230,000 liters of sustainable biofuel into Toronto Pearson airport's shared fuel system. Through a second program, the Civil Aviation Alternate Fuel Contrail and Emissions Research project, Air Canada flew five commercial flights in 2017 on a high biofuel blend with a research aircraft from the National Research Council of Canada trailing the aircraft to collect emissions data.

Air Canada also endorses the International Air Transport Association (IATA) and the National Airlines Council of Canada (NACC) goals.

102-13

Memberships of associations

Air Canada works with industry organizations globally on a variety of topics and participates in various committees. Of note, Air Canada is a member of IATA and NACC, and is an associate member of the Canadian International Freight Forwarders Association (CIFFA) and the International Air Cargo Association (TIACA), and an associate member of Airlines for America (A4A) and the Latin American and Caribbean Air Transport Association (ALTA). Air Canada is an observer on the ICAO Facilitation meetings organized in the context of the National Facilitation Committee (NFC) chaired by the Canadian Transportation Agency (as part of Canada's Facilitation Program).

Air Canada also participates in various Chambers of Commerce, Boards of Trade and many local airline representative boards.

Air Canada is a founding member of the Star Alliance® network. Through the 28-member airline network, Air Canada offers its customers access to 1,300 destinations in 191 countries, as well as reciprocal participation in frequent flyer programs and the use of airport lounges and other common airport facilities.

Strategy

102-14

Statement from senior decision maker

[Letter from Calin Rovinescu, President and CEO](#)

102-15

Key impacts, risks, and opportunities

Key risks are described in the 2017 Management's Discussion and Analysis of Results of Operations and Financial Condition (February 16, 2018) available at <https://www.aircanada.com/ca/en/aco/home/about/investor-relations.html>

Ethics and Integrity

102-16

Values, principles, standards and norms of behaviour

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

Governance

102-18

Governance structure

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

https://www.aircanada.com/content/dam/aircanada/portal/documents/PDF/en/2018_proxy.pdf, p. 36-41

Stakeholder Engagement

102-40

List of stakeholder groups

The key stakeholders are shareholders, investors, non-governmental organizations (NGOs), governments in Canada, customers, employees, suppliers. NGOs are identified through the Air Canada Foundation. Air Canada also engages governments at various levels on an ongoing basis as it is regulated by authorities within these bodies.

102-41

Collective bargaining agreements

Please refer to the [Employees](#) section of this content index.

102-42

Identifying and selecting of stakeholders

For the purposes of the Corporate Sustainability report, Air Canada identified and engaged employees, major suppliers and its frequent flyers through targeted surveys. Air Canada also made a feedback mechanism available through its website at www.aircanada.com.

102-43

Approach to stakeholder engagement

Air Canada engages with stakeholder groups in various ways, such as meetings, surveys, written correspondence, focus groups, ad hoc conversations, social media, and conferences and symposiums. Surveys are conducted on a monthly and ad hoc basis at Air Canada and on a yearly basis at Air Canada Vacations®. Specifically, for corporate sustainability reporting, Air Canada sought input from three major stakeholder groups (customers, employees and suppliers) via a materiality survey conducted in 2014.

102-44

Key topics and concern raised

The key areas of interest of the materiality survey were safety, environment, employees and communities. These remain relevant.

Reporting Practice

102-45

Entities included in the consolidated financial statements

[2017 Annual Report](#), p. 10.

[2017 AIF](#), 2-3

102-46

Defining the report content and topic Boundaries

As a responsible corporate citizen, Air Canada has been reporting on corporate sustainability since 2011, and since 2012, in accordance with the Global Reporting Initiative (GRI) Framework. The GRI is an internationally recognized standard for corporate reporting of economic, environmental and social performance. Air Canada declares that its 2017 report has been prepared in accordance with the GRI Standards (applicable to reports published on or after July 1st, 2018).

Air Canada's process for defining the report content and the Aspect boundaries included the following steps:

- Identification of the sustainability topics that were relevant to Air Canada and related GRI aspects in 2014 (based on discussions with the CSR steering committee, executive interviews and stakeholder consultations).
- Prioritization of sustainability topics and identification of material GRI aspects using the Principles of Materiality and Stakeholder Inclusiveness. Prioritization was based on stakeholder opinion information collected via interviews, workshops and surveys (employees, customers, suppliers).
- Validation of material sustainability topics and related GRI aspects by the CSR steering committee in November 2014.
- Review of the material sustainability topics by the CSR steering committee in November 2014 and revalidation of the material GRI aspects in April 2015.

102-47

List of material topics

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

102-48

Restatements of information

No material restatements for this report.

102-49

Changes in reporting

Other than following the GRI Standards, the most recent version of the GRI framework, there has been no significant change in reporting.

102-50

Reporting period

2017

102-51

Date of most recent report

2016

102-52

Reporting cycle

Annual

102-53

Contact point for questions regarding the report

Sustainability.developpement_durable@aircanada.ca

102-54

Claims of reporting in accordance with the GRI Standards

This report has been prepared in accordance with the GRI Standards: Core option.

102-55

GRI content index

This report is completed within the GRI content index.

102-56

External assurance

This index summarizes the Corporation's sustainability performance in a transparent and accountable manner.

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

103-1

Explanation of the material topic and its Boundary

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

GRI Content Index - 2017

▪ SPECIFIC STANDARD DISCLOSURES

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