



CITIZENS OF THE WORLD

2019
CORPORATE
SUSTAINABILITY
REPORT

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 **AIR CANADA**

A STAR ALLIANCE MEMBER 



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About our report

This *2019 Citizens of the World* reports on Air Canada's company-wide economic, safety, social and environmental performance from January 1 to December 31, 2019. The report further discusses some of the organization's 2020 updates, including multi-year data trends where possible. We have been committed to reporting on our corporate sustainability activities since 2012. All prior reports and data trends can be found [here](#).

Unless stated otherwise, the *2019 Citizens of the World* is inclusive of the sustainability efforts and activities of Air Canada and its subsidiaries, namely, Air Canada Rouge, Air Canada Vacations, and Aeroplan Inc. A more fulsome and complete overview of our financial performance and description of business are available in our [2019 Annual Report](#).



REPORTING FRAMEWORK

This report has been prepared in accordance with the Global Reporting Initiative (GRI) Standards: Core option. Internationally recognized as a leader in sustainability reporting standards, the GRI helps maintain transparency in corporate reporting related to economic, environmental, and social performance. Certain of our environmental achievements are also detailed through the Carbon Disclosure Project (CDP) report. The CDP questionnaire aligns with the Task Force on Climate-related Financial Disclosures (TCFD) framework. To access the CDP, please visit: www.cdp.net

Since the release of our *2018 Citizens of the World*, we have become an official signatory of the United Nations Global Compact (UNGC). Therefore, in addition to our commitment to the GRI, new this year, we also outline our progress promoting the United Nations Sustainable Development Goals throughout this report, and also share our Communication on Progress to the UNGC.

In 2019, we also participated in various sustainability assessments, including the EcoVadis assessment, for which we were in the 87th percentile and awarded a silver medal in category 511: Passenger Air Transport. The EcoVadis analysis covers four general themes: environment, labor and human rights, ethics, and sustainable procurement.

THIRD-PARTY ASSURANCE ON MANY STANDARDS

Continuously maintaining transparency and accountability, we have engaged Ernst & Young LLP to perform an independent, limited assurance on seven performance indicators. For information regarding the scope of the assurance and statement, please read the [limited assurance statement](#).



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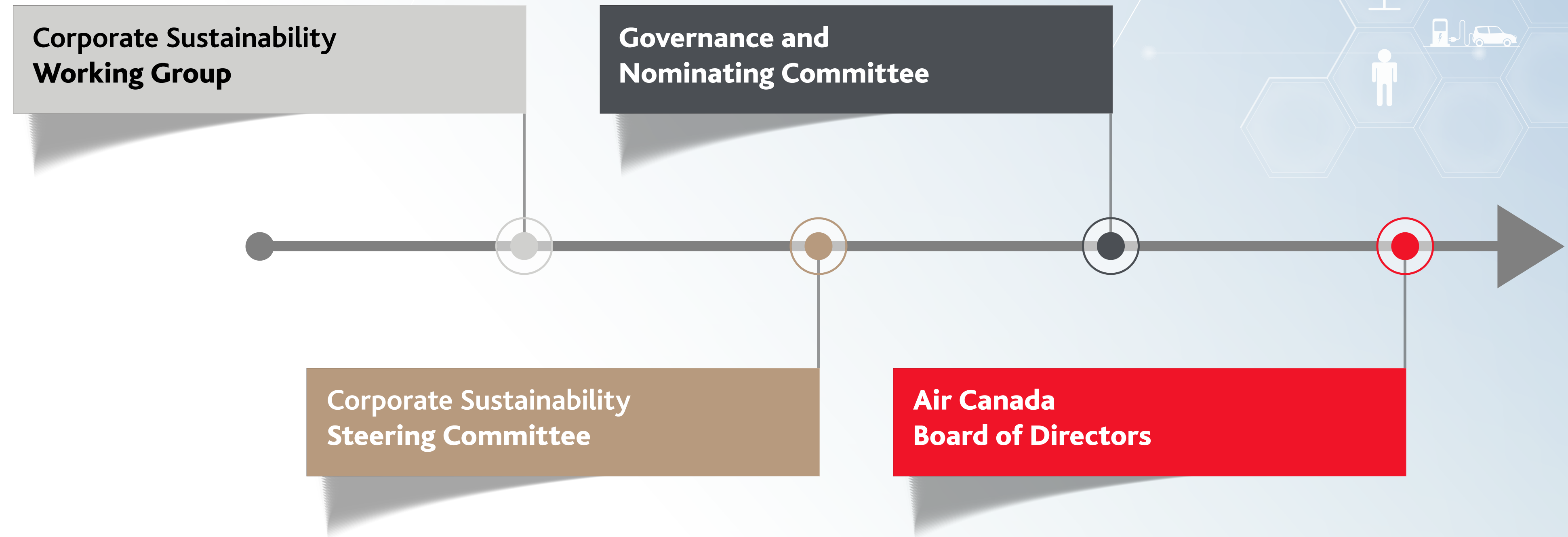
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Corporate sustainability at Air Canada

Continuous sustainability improvement is critical to our business strategy, and this is integrated throughout the organization. At Air Canada, we coordinate corporate sustainability initiatives through a **Corporate Sustainability Working Group** and a **Corporate Sustainability Steering Committee**. The Corporate Sustainability Working Group, comprised of senior management subject-matter experts from diverse functions, is tasked with the oversight and monitoring of Air Canada's corporate sustainability initiatives. This Working Group reports on the progress of such initiatives to the Steering Committee, which includes several executives. Ultimately, corporate sustainability initiatives are reported to, and are under the oversight of the **Board of Directors of Air Canada**, including through the **Governance and Nominating Committee**.





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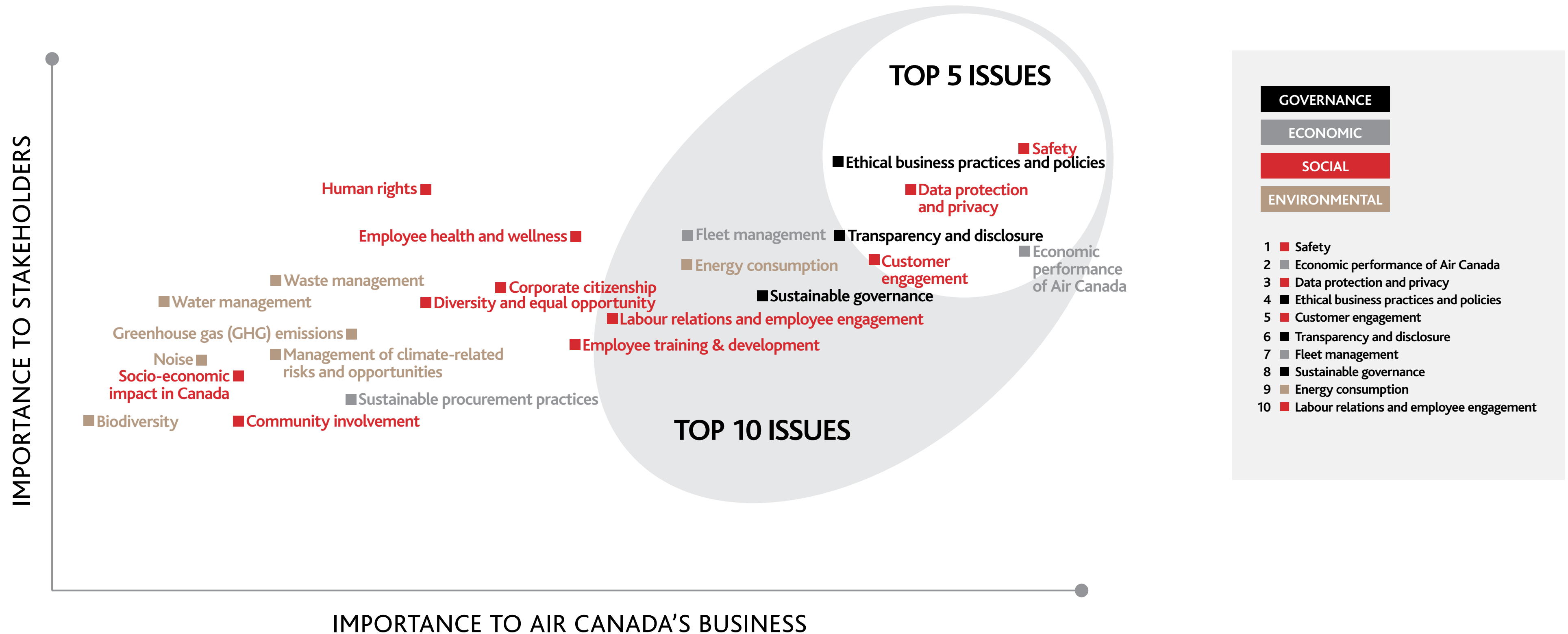
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Materiality Matrix

In 2018, we undertook a materiality assessment to identify the main sustainability areas of focus of our key stakeholders. Rankings were based on input from stakeholders which have been collected through interviews, workshops, and surveys. Relevant sustainability topics for Air Canada were then matched with material topics from the GRI and prioritized using the Principles of Materiality and Stakeholder Inclusiveness. The results are identified in our materiality matrix and we reviewed and used the results from this materiality assessment for our 2019 report.

Materiality, in the sustainability context used for this report, refers to the relative significance of environmental, social, governance and economic priorities and their impacts (both positive and negative) to our business and our stakeholders.



- GOVERNANCE
- ECONOMIC
- SOCIAL
- ENVIRONMENTAL

- 1 ■ Safety
- 2 ■ Economic performance of Air Canada
- 3 ■ Data protection and privacy
- 4 ■ Ethical business practices and policies
- 5 ■ Customer engagement
- 6 ■ Transparency and disclosure
- 7 ■ Fleet management
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Stakeholder Engagement

In 2019, we regularly engaged with our stakeholders through dialogue, meetings, surveys, correspondence, focus groups, social media, and conferences.

Our employees provided feedback and engaged in dialogue through various platforms in addition to regular surveys conducted by the Company to measure our safety culture and employee engagement. We continued to conduct customer satisfaction monitoring monthly with all customer segments. In 2019, we updated the survey to provide a better respondent experience and data insight. The highest positive responses were from our business travellers.

We also made use of online panels to collect customer feedback on product, services, and new concepts. The online panels consisted of a group of Air Canada customers recruited annually on a voluntary basis, as well as a group of Aeroplan members recruited on an on-going voluntary basis. We also conducted focus groups and customer interviews working towards the design of new loyalty products and concepts.

We measured the health of our brands with a survey of Canadian travellers. In 2019, 2,700 Canadian travellers provided feedback and we observed positive improvement in emotional connection with Air Canada, associated as one of Canada's most iconic brands that represents Canadian values.

We continue to be active with traditional media and monitor all major social media sites and strive to continually enhance the level of service that we provide our customers, some of whom prefer to provide feedback via those channels. We are dedicated to serving our customers by providing them with up-to-date travel information, information about the Company and assistance with general inquiries.



To keep financial stakeholders informed, since 2013, we have held bi-annual investor conferences and regularly participate in conferences, including fireside chats and we maintained dialogue with our investors. Annual conferences and regular discussions were also regularly held with our corporate customers.



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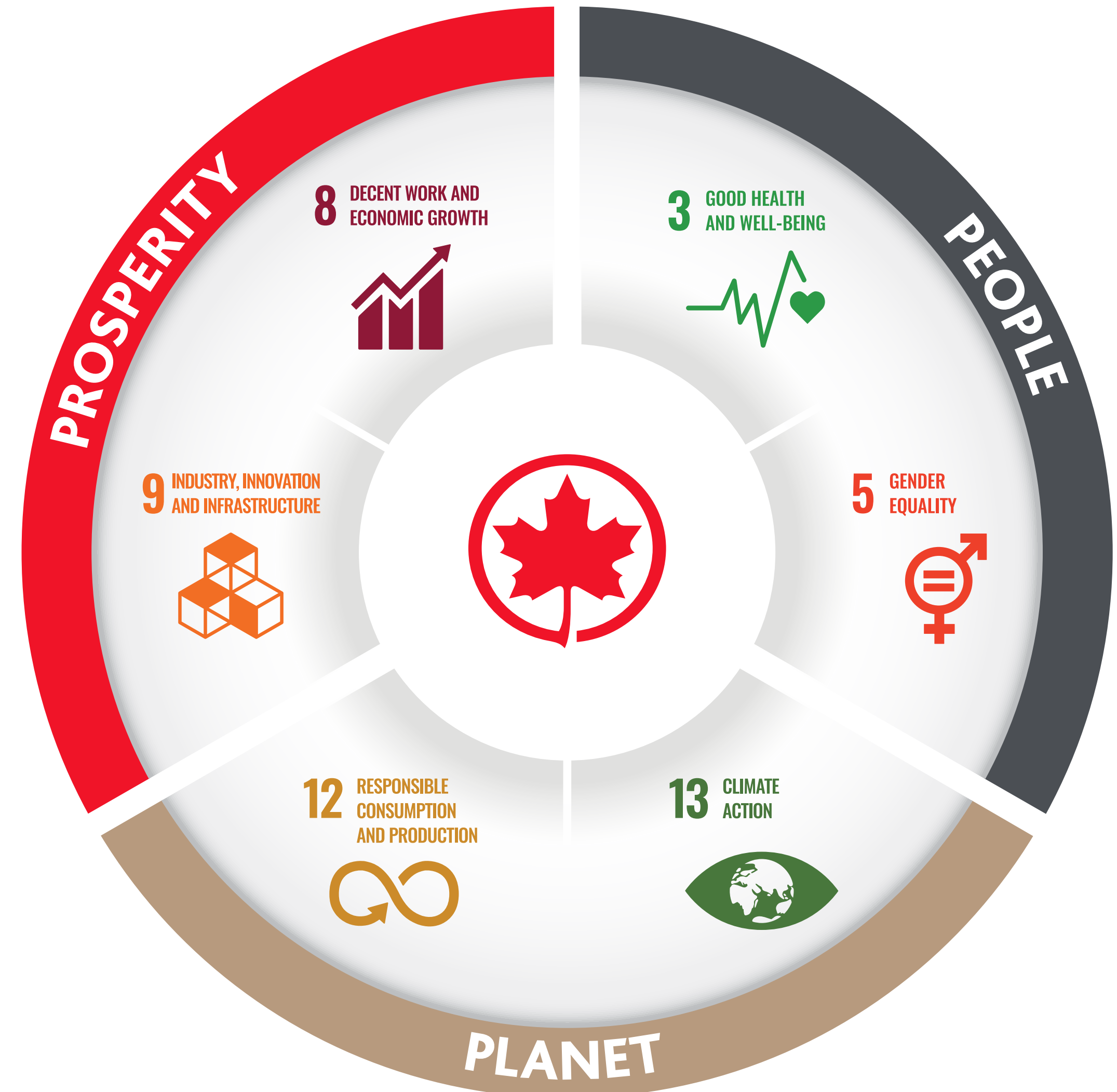
United Nations Global Compact

In 2019, we joined the United Nations Global Compact (UNGC), a voluntary initiative with a principle-based framework for businesses, comprised of ten principles in the areas of human rights, labour rights, the environment and working against corruption in all its forms.



We support all 17 Sustainable Development Goals and we are particularly focused on 7 goals being :

- Goal 3: *Good Health and Well-being,*
- Goals 5: *Gender Equality* and 10: *Reduced Inequalities* (as a champion in Diversity and Inclusion practices),
- Goal 8: *Decent Work and Economic Growth,*
- Goal 9: *Industry, Innovation and Infrastructure,*
- Goal 12: *Responsible Consumption and Production,* and
- Goal 13: *Climate Action,* while always staying true to our core value, **Safety First, Always** and exercising responsible and ethical business practices.



These goals are representative of the culture we have built at Air Canada.



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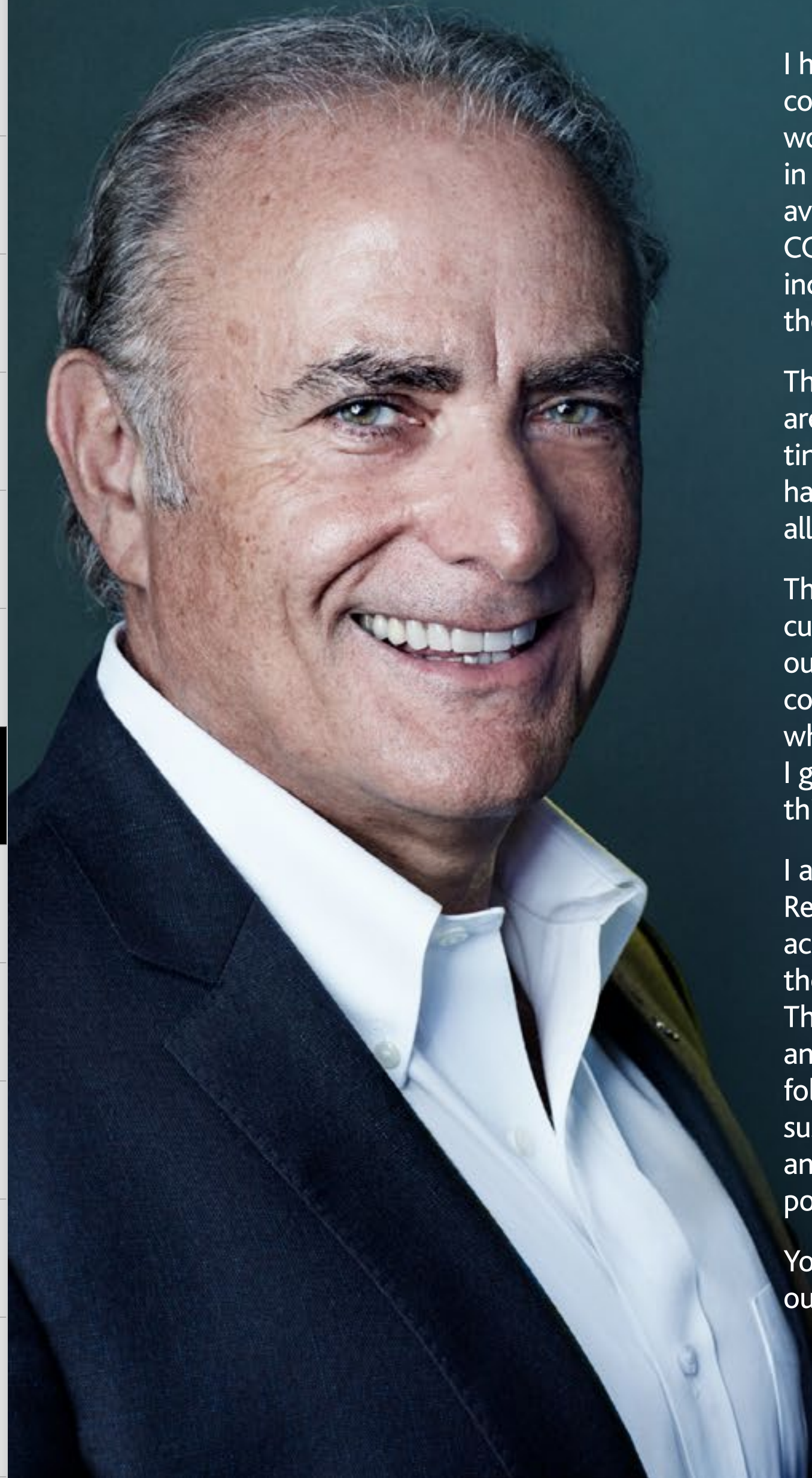
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A message from Calin Rovinescu, PRESIDENT AND CHIEF EXECUTIVE OFFICER

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

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

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

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

You will read more about the strength of our culture and our unwavering commitment to our core value, Safety First,

Always, consistently the fundamental pillar to our sustainable future, together with the strong relationships we have with our major union groups. Our culture has once again been recognized as we have been named one of Canada's Top 100 Employers for the seventh consecutive year and awarded as one of Canada's Best Diversity Employers for the fourth consecutive year.

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

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

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



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

BUSINESS



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





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PEOPLE



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





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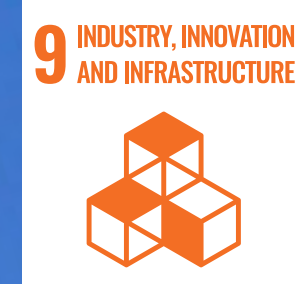
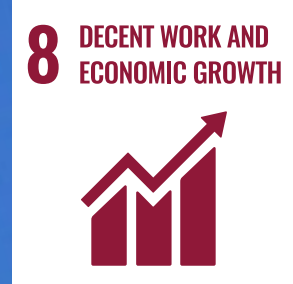
- Experienced a 19% improvement in fuel efficiency between 2009 and 2019
- On target to meet the annual 1.5% fuel efficiency improvement by end of 2020
- Progressed on work towards carbon-neutral growth in 2020 for international aviation (through CORSIA)
- Continued to support for development of lower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





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OUR BUSINESS



We connect Canada and the World. To carry out this mission, our principal business objective is to be a sustainably profitable global champion. We seek to continually improve customer experience and employee engagement, and create value for shareholders, employees, customers, communities, and other stakeholders.

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Over the past 10 years, including in 2019, we have worked towards this goal by focusing on the following four core priorities:

- Identifying and implementing **cost reduction and revenue enhancing** initiatives.
- Pursuing profitable **international growth** opportunities and leveraging our competitive attributes.
- **Engaging customers** by continually enhancing their travel experience and by consistently achieving customer service excellence.
- Fostering positive **culture change**.



There is no sustainable development without culture. Culture enables sustainability in a variety of ways, at various levels, by linking cultural diversity and biodiversity, influencing long-term behaviours, building identity, encouraging innovation, and contributing to sustainable management practices. Our culture is our internal propeller and sets the path for our plan of action for our people, our planet and our business, and has been critical in allowing us to navigate and quickly adapt through the pandemic crisis which devastated our industry, seemingly overnight.

At the heart of our culture is our number one central value: Safety First, Always. The foremost consideration in all that we do, the safety of our customers, of our employees and of those in communities where we fly and serve is always our top priority. This includes the reliability of our IT systems and infrastructure, and the safeguard of our employees and customers' privacy and data.

At Air Canada, we aim to create a healthy and rewarding work environment where everyone can excel and realize their full potential. We recognize the contribution each employee makes to the success of our business and understand that our service would not be possible without their dedication and hard work. Through our Flight Path, we seek to inspire, encourage, and challenge our employees to be the best in all that they do. We are committed to contributing to the socio-economic growth and wellness of communities in which we operate and, together with our suppliers and customers, seek to make a positive difference in the lives of people in need across Canada through financial and in-kind support. We take great pride in our unique core business offering of connecting people, places and things, and in doing so through memorable experiences with the care and class of our employees.

Through our "Leave less, Do more" approach, environmental sustainability is considered in our management practices throughout the business as we make great efforts to integrate environmental considerations into our business decisions.





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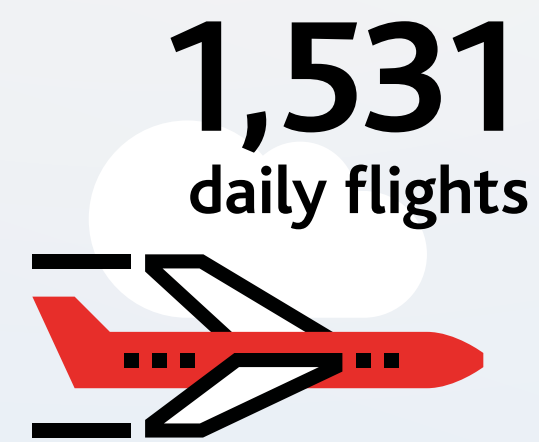
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2019 Business highlights

In 2019, Air Canada, together with Air Canada Rouge and other partners operating flights on behalf of Air Canada under capacity purchase agreements, operated on average, 1,531 daily scheduled flights to 217 direct destinations on six continents, comprised of 62 Canadian destinations, 56 destinations in the United States and a total of 99 cities in Europe, Africa, the Middle East, Asia, Oceania, the Caribbean, Mexico and South America.





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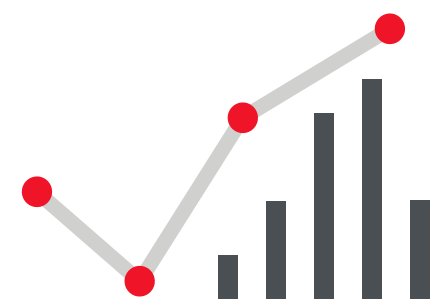
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Air Canada generated record operating revenues of \$19.1 billion and reached record levels of unrestricted liquidity of \$7.4 billion, while controlling costs. We reported EBITDA of \$3.6 billion, 13 per cent above the prior year, and we delivered on the outlook we provided for key financial metrics for the year. Our discipline was rewarded by an 87 per cent return on our shares in 2019, which, when added to our returns over the previous nine years, made Air Canada one of the top-performing stock on the TSX for the past decade with a 3,575 per cent return. These results were achieved in a year where we lost 25 per cent of our narrow-body fleet to the worldwide grounding of the Boeing 737 MAX in March. Despite this and other challenges throughout the year, we are proud of our economic performance in 2019 and all efforts which have situated it in a stronger position than almost any other airline in the world to emerge strongly from the cataclysmic challenges presented in 2020.



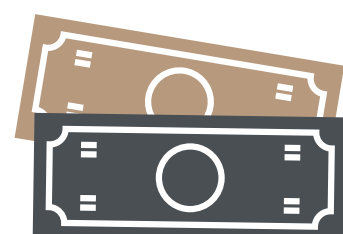
3,575%
return on TSX



\$19.1B
operating revenues

87%
return on shares

\$7.4B
unrestricted liquidity



\$3.6B
EBITDA

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We have been at the forefront of innovation, starting with the implementation of an automated reservation system in 1963, followed by several other initiatives such as express check-in, and the electronic barcode pass. We have been rebuilding our technological foundation to continue to position ourselves for the future as an innovator in the industry. Foundational elements include our new passenger service system and the underlying infrastructure to support the robust development of our data and digital technologies, including artificial intelligence (AI).





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On January 10, 2019, Air Canada completed the purchase of Aeroplan Inc. (previously Aimia Canada Inc.). Consistent with our commitment of continued investments in our loyalty program, Aeroplan plans to launch a transformed Aeroplan program later in 2020. The new program will be designed to further strengthen customer relationships, offer members more flexible rewards with better value, and deliver a more consistent end-to-end customer experience. It will also make it easier to travel and offer an improved experience to all members—both frequent and infrequent travelers. The new program will also be designed to offer a wide range of earning and redemption opportunities, more personalized service, and a better digital experience for Aeroplan members. Throughout the COVID-19 pandemic, we engaged with our loyalty members and offered sneak peaks in advance of the launch of our transformed loyalty program.

“

We take great pride in the very powerful economic contribution of the airline.

— *Calin Rovinescu*
PRESIDENT AND CEO

In 2019, we counted close to 38,000 employees worldwide, 10,000 of which joined our company in the last 10 years. We spent approximately CA\$12 billion in goods and services, of which approximately CAN\$8 billion was spent with various suppliers in Canada. We are proud to be an important contributor to the travel and tourism sector worldwide, which, in 2019, represented approximately CAN\$102 billion in annual GDP and employed over 1.8 million people in Canada (representing approximately 12 per cent of the Canadian workforce).





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Air Canada received a number of additional awards recognizing its industry-leading products and services in 2019, including being named *Best Airline in North America* at the 2019 Skytrax World Airline Awards, as well as *Best Business Class in North America*, *Best Airline Staff in Canada* and *Best Airline Cabin Cleanliness in North America*. Air Canada remains North America's only Skytrax four-star international network carrier. Air Canada was also named *2019 Airline of the Year* at the 2019 Global Traveler Awards, as recognized by the leading magazine for luxury business and leisure travellers. In addition, the airline was recognized as offering the *Best Premium Economy Class* and *Best Onboard Entertainment* at the Global Traveler 2019 Leisure Lifestyle Awards which took place in the spring of 2019.

In late 2019, the Ipsos Reid 2019 Canadian Business Traveller Survey confirmed Air Canada as the preferred airline for domestic travel for 90 per cent of frequent business travellers. The national study determined that Air Canada remains by far the preferred choice for business travel with high overall satisfaction and intend-to-travel scores.

For more details about our 2019 performance, please see our **2019 Annual Report**.





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Governance, risk, ethics and compliance

In 2019, Air Canada was governed by an eleven-member Board of Directors (twelve as of the date of this report) committed to meeting high standards of corporate governance in all aspects of the Corporation's affairs.

The Board has four standing committees:

1. The Safety, Health, Environment and Security Committee
2. The Audit, Finance and Risk Committee
3. The Governance and Nominating Committee; and
4. The Human Resources and Compensation Committee.

All committees of the Board are composed of independent directors. The roles and responsibilities of each committee are set out in formal written charters. These charters are reviewed annually to ensure that

they reflect best practices as well as applicable regulatory requirements. For more information on the role of each committee, please click [here](#).

Our executive team and Board of Directors are committed to maintaining high standards of corporate governance in all aspects of our business and recognize the responsibility and benefits of fostering greater diversity, both in the boardroom and within our workforce in Canada. The Board's Diversity Policy states that candidates will be considered against objective criteria, having due regard to the benefits of diversity on the Board including the representation of members of "designated groups" as defined in the *Employment Equity Act* (that is, women, members of visible minorities, Indigenous peoples and persons with disabilities). In furtherance of diversity, the Board established as its target that women represent at least 30 per cent of the directors at Air Canada by 2020. This target has now been achieved.



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COMPLIANCE, ETHICS AND RISK MANAGEMENT

Code of Conduct

Sound business practices and ethical behaviour are also fundamental to Air Canada’s risk governance culture. We have adopted a **Corporate Policy and Guidelines on Business Conduct** (the “Code”) which was last amended in October 2019. The Code applies to all directors, officers and employees of Air Canada and its wholly owned subsidiaries, to the extent that policies and guidelines have not been adopted separately by them. The Code addresses, among other things, conflicts of interest, use of company assets, confidential information, fair dealing with other people and organizations, compliance with laws, rules and regulations, employment policies, computer, email and Internet policies, and reporting actual or potential misconduct or violations of the Code. The Board, with the assistance of the Audit, Finance and Risk Committee, has the responsibility for monitoring compliance with the Code.

The Code has been communicated or brought to the attention of all employees of Air Canada and its wholly owned subsidiaries that have not adopted their own policies and guidelines. All employees have a responsibility to understand and follow the Code. On an annual basis, all directors of Air Canada and members of management are required to follow a brief training module and complete an acknowledgment form, to confirm that they have read the Code and will follow its terms, and undertake to promote the guidelines and principles of the Code and take all reasonable measures to ensure that the employees under their supervision fully comply with the Code. The Code also includes guidance on how employees can report actual or potential misconduct on an anonymous basis including through an independent confidential reporting system. The system provides an online reporting portal, as well as toll-free telephone lines for Canada and several locations around the world.



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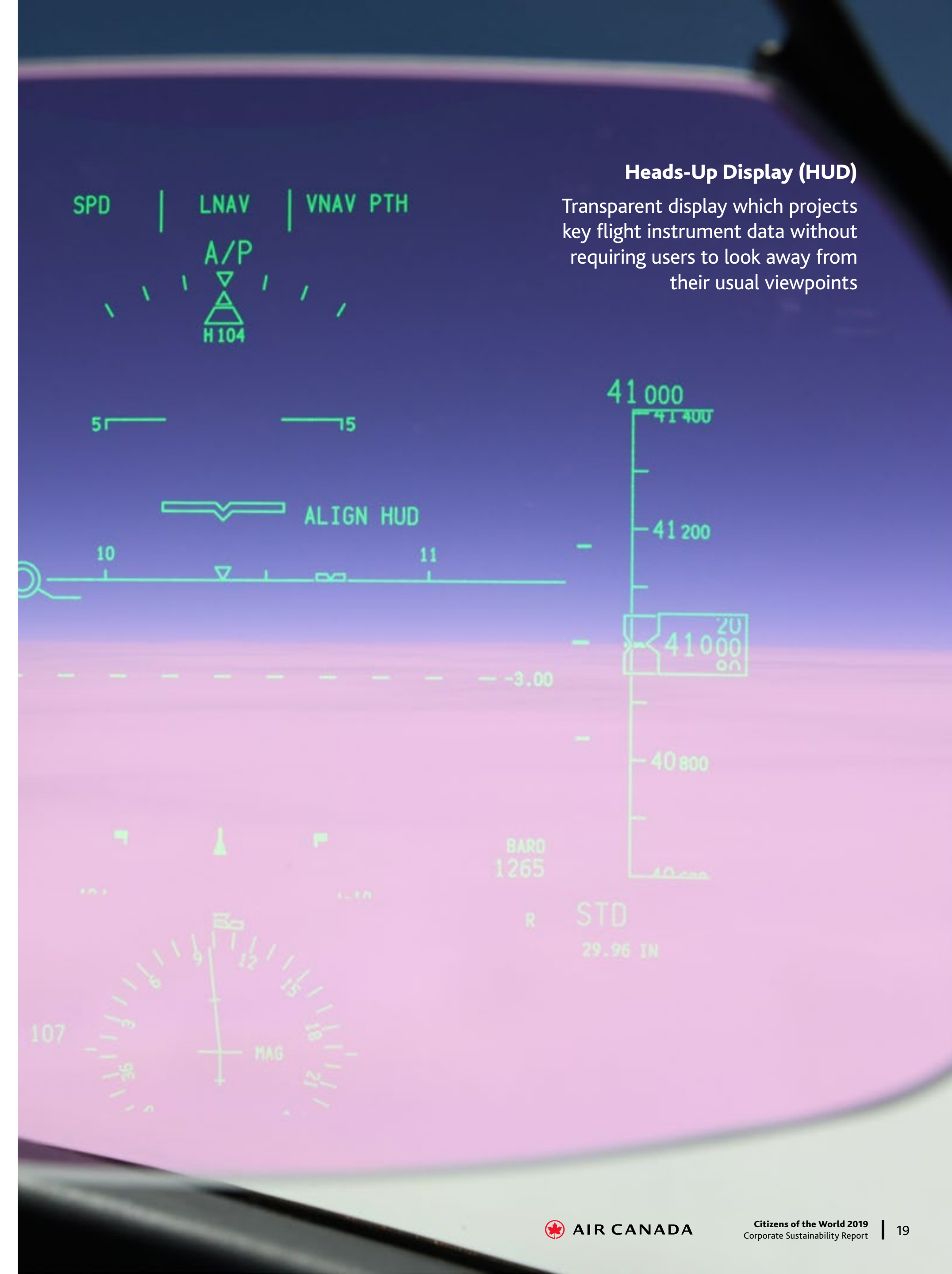
Enterprise Risk Management

The management of opportunities and risks is an integral part of our business processes. Strategic decisions are made by the executive team with consideration of risk implications to the business and its stakeholders. Risks which may be material to Air Canada are identified and monitored on an on-going 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, which has specific oversight responsibilities on the Company's enterprise risks. The Board overlooks enterprise risks, and certain committees also play a role in the oversight of specific risks within their mandates.

Air Canada's ERM framework has been developed to support governance and oversight of the Company's most important strategic risks and is aligned to the ISO 31000 standard and Committee Of Sponsoring Organizations of the Treadway Commission (COSO) ERM 2017 framework. Formal policies and management committees are in place to manage specific risks such as safety, security, fraud, information security, privacy, the environment and fuel price. For more information about Air Canada's enterprise risk management and governance, please see our **2019 Annual Report**.

Organizational Compliance

We have a full-time General Compliance Officer (GCO) responsible for the oversight of compliance programs. The GCO manages a comprehensive annual compliance risk assessment process, methodology and related working tools for evaluating and measuring material legal, compliance, policy and contract risks. Such risks are then managed through an annual Compliance Plan and reported on a quarterly basis to the Board's Audit, Finance & Risk Committee. Air Canada's integrity and compliance standards are further promoted by detailed policies, guidelines, and training programs, which are verified or audited as required.



Heads-Up Display (HUD)

Transparent display which projects key flight instrument data without requiring users to look away from their usual viewpoints



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Anti-Corruption and Fraud Prevention

One of the important elements identified through our risk assessment process is compliance with anti-corruption laws and regulations. Compliance efforts have evolved significantly through the development of a specific comprehensive anti-corruption compliance program, which includes conducting interviews and focus group sessions on anti-bribery risks and practices; a global Anti-Corruption Policy and guideline documents; a comprehensive communication plan and a tailored risk-based training program (comprised of targeted in-person training sessions for executives and selected groups who deal in more sensitive areas, as well as general awareness training for management employees). On a periodic basis, we monitor, or audit, specific compliance elements related to anti-corruption.

A Fraud Prevention Committee is also responsible for monitoring the general state of fraud management, including new and emerging trends and risks, and the performance of company-wide fraud mitigation structures and rhythms.

In 2019, no material anti-corruption risk sensitivities were reported or identified. Continued efforts were devoted to increased education and awareness on the potential risks related to the practice of gifts and entertainment and to our expansion to new destinations in jurisdictions with higher corruption risk.

Competition

Competition law compliance is a continuous area of focus due to profound changes that the industry experienced because of deregulation, liberalization and globalization, and the proliferation of new competition law regimes globally. Compliance efforts are embedded in our management system and include policies, specific guidelines, and regular targeted training. Periodic monitoring of such measures is done to improve information retention and behaviour modification. Employees are made aware that the potential impacts of non-compliance are material and could include substantial regulatory penalties and sanctions, private damage actions and criminal penalties against Company officers, directors, and other personnel.





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Human Rights

Respect for human rights is one of the Company's fundamental values. Through our actions and policies, the Company is committed to maintaining a working environment which promotes and protects fundamental human rights. We achieve this by upholding recognized international standards of business and human rights in our relationships with our employees, suppliers, and other business partners; we expect them to avoid causing or contributing to any human rights infringements through their business actions.

We recognize we have an on-going responsibility to ensure that appropriate measures are implemented to mitigate the risk of slavery and human trafficking in our operations, either directly or through our service providers. Our **Modern Slavery Statement** outlines our commitment, policies, and initiatives in this regard.



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Supplier Code of Conduct

In selecting our suppliers, we carry out due diligence, using up-to-date industry standard tools, to identify legal and reputational issues. We have implemented a **Supplier Code of Conduct**, which is a key component of our responsible and sustainable sourcing strategy.

This code is principles-based and sets out our expectations of suppliers to ensure their behavior aligns with Air Canada standards in the following key areas:

- Business integrity
- Responsible and safe business practices
- Responsible treatment of individuals
- Respect of the environment

The Supplier Code of Conduct sets out specific standards we expect our suppliers to uphold at all times, including on matters relating to forced or child labour, non-discrimination and human rights, safe and healthy employment conditions, ethical behaviour and much more. To help ensure adherence to the Supplier Code of Conduct, we are committed to working in partnership with our suppliers. Suppliers may be asked to confirm in writing periodically that they meet the expectations of the code. Certain audit rights are also available.



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In 2019, Air Canada and subsidiaries (including Air Canada Vacations) made the commitment to no longer sell or promote packages to, or generate revenue from, attractions that involve the captivity of current or future generations of dolphins. This move is due to take effect by end-August 2020 and is in line with Air Canada's existing policy on whales. We will work with our suppliers and contracted hotels to continuously reduce the practice of keeping dolphins in captivity.

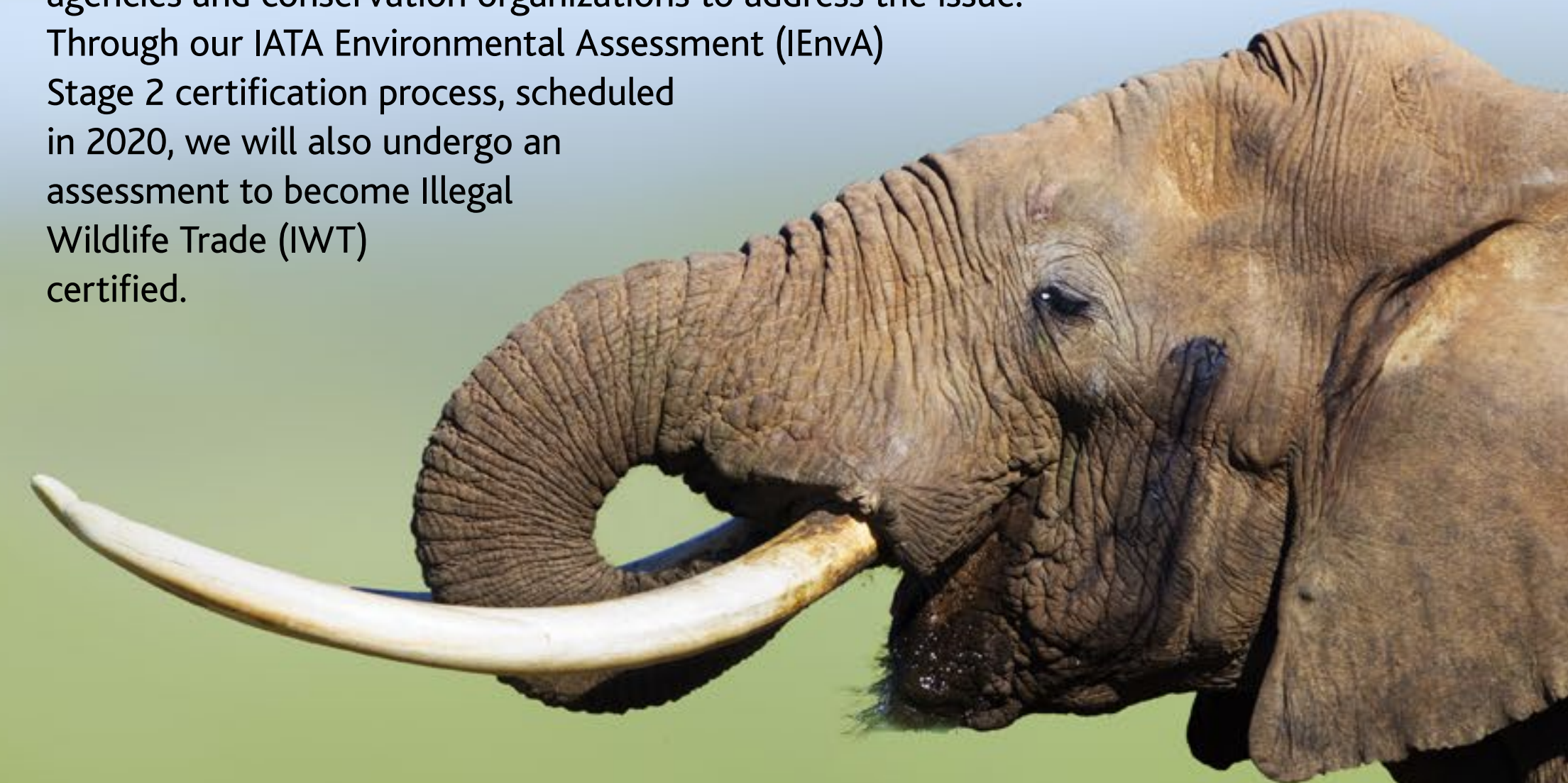


Illegal Wildlife Trade

We are also dedicated to the prevention of illegal wildlife trade and to raising awareness on the issue and its consequences. In addition to threatening ecosystems, illegal wildlife trade plays a key role in spreading zoonotic diseases, therefore fighting illegal wildlife trade is important in preventing pandemics of zoonotic origin.

Through the International Air Transport Association (IATA), we are a signatory to the Convention on International Trade in Endangered Species of Wild Fauna and Flora (CITES). As such, we do not permit carriage of species covered by CITES unless the shipper certifies that the species is carried under a CITES permit. We also have an embargo on the carriage of shipments of lion, leopard, elephant, rhinoceros, and water buffalo trophies, of non-human primates intended for laboratory research and/or experimental purposes, and of shark fins.

In 2019, we began to take further steps to prevent illegal wildlife trafficking. We are proud to be a signatory (as of June 2020) of the Buckingham Palace Declaration, which confirms our commitment to stop the traffickers of the illegal wildlife trade from moving their products. We look forward to partnering with airports, freight forwarders and other stakeholders, and to working proactively with enforcement agencies and conservation organizations to address the issue. Through our IATA Environmental Assessment (IEnvA) Stage 2 certification process, scheduled in 2020, we will also undergo an assessment to become Illegal Wildlife Trade (IWT) certified.





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We aim to integrate environmental considerations into business decisions and minimize our environmental footprint in all our operations. Our approach is two-fold: Leave less carbon, waste, and noise - and Do more collaboration and participation with our industry partners, employees, customers and in our communities. For more information on our approach and accomplishments over the years, please see the Air Canada **Leave-less Website**.

ENVIRONMENTAL POLICY

Air Canada has developed an Environmental Policy, consistent with the requirements of IEnvA and ISO 14001:2015, which documents the commitments made by its executive management. Our policy is a vital component of Air Canada's business strategy and environmental management; it provides guidance for environmental targets and performance improvements and declares our commitment to continuous improvement, pollution prevention, protection of the natural environment, and compliance with applicable environmental compliance obligations and other commitments to which the Company subscribes. The Environmental Policy forms the basis of Air Canada's Environmental Management System (EMS).





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ENVIRONMENTAL MANAGEMENT SYSTEM

Through our EMS, we maintain environmental management programs to meet our regulatory compliance requirements and other additional commitments we have subscribed to. We operate an environmental compliance audit program to monitor regulatory compliance, identify root causes of non-conformances and develop corrective actions where needed.

The Environmental Affairs group is responsible for identifying, monitoring, and assessing climate and general environment related risks and opportunities for Air Canada. The group reports to the Vice President, Safety, who reports directly to the President and CEO.

The President and CEO's environmental responsibilities are to ensure Executive Management's commitment to the Environmental Policy and to the Environmental Management System. The President and Chief Executive Officer chairs the Corporate Environmental Board (CEB), which provides direction and strategic advice on all of Air Canada's major environmental and climate-related endeavours of the Company. The CEB meets quarterly with members of Air Canada's Environmental Affairs Group to discuss potential environmental risks and opportunities, progress on initiatives and future directions for the Company.

Progress on key topics and initiatives are reported to the Safety, Health, Environment and Security Committee of the Board, whose mandate is to assist the Board of Directors in the discharge of its oversight responsibilities concerning safety, health, environment and security matters including climate-related issues. The Committee meets at least quarterly and includes management oversight of key issues.

IEnvA Certification

We are conscious of the impact that our operations may have on the environment. To support our efforts to reduce waste, pollution, and greenhouse gas (GHG) emissions and improve environmental performance, we chose to advance from our existing EMS to a third-party certified system through the IATA IEnvA program.



IEnvA is a two-stage certification process, specific for airlines and demonstrates equivalency to the new ISO 14001: 2015 environmental management systems standard. The scope of IEnvA includes the flight operations of Air Canada and its wholly owned subsidiaries (Air Canada Vacations and Air Canada Rouge) and has the capacity to cover a variety of our operations. Office buildings and facilities in Canada where the Company conducts its business operations complete the scope. In 2018, we achieved Stage 1 and became an IEnvA Stage 1 registered airline.

Through the IEnvA program, we have established environmental management plans which describe the procedures and controls in place to manage effectively the environmental aspects of our operations. In 2019, we continued with preparing for the Stage 2 certification assessment (expected in 2020). Upon successful completion, Air Canada expects to be the first airline in North America to be IEnvA Stage 2 certified.



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Training

Consistent with our core value of Safety First, Always and commitment to caring for our planet, we have several training programs in place, to make sure that all our employees are aware of their roles and responsibilities, have appropriate knowledge of environmental issues, and are competent to undertake tasks that may have significant environmental impacts. The training outlines the importance of compliance with the environmental regulations, policies, procedures, and other requirements of the EMS.

We are continuing to transform our environmental training program through our online platform which better suits our mobile workforce. In 2019, our due diligence and wastewater modules were converted to online modules.

Associations

As an international airline, we are global not just in our reach but also in our dealings with the industry. We believe in the need for collaboration among industry stakeholders and are engaged in several initiatives to better understand, strategize, and effect environmental protection locally and globally. We are actively involved in the IATA Sustainability and Environment Advisory Council (SEAC) in addition to other environment committees and working groups with the National Airline Council of Canada (NACC), Airlines for America (A4A), the Green Aviation Research and Development Network (GARDN) and the Star Alliance® Sustainability Committee

Carbon Disclosure Project

Our environmental achievements and climate protection strategy are discussed throughout this report. In addition, information on our carbon footprint, targets and our climate protection strategy are also reported through CDP. To access our CDP response, please visit www.cdp.net.





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Our core value is Safety First, Always.

Safety is an ethical and operational imperative for everyone at Air Canada. This remains true for those outside of the organization as well, with safety recognized as the chief focus of stakeholders. It ranked as the single most important issue identified in the materiality assessment that is the basis of this report. This is unsurprising as safety is the heart of sustainability for an airline. One of our core values, it is an essential attribute, as a carrier's success or failure directly depends upon establishing and maintaining a reputation for operating safely.

In partnership with our employees, we are committed to conducting our business in a manner that ensures the health and safety of our employees, customers, the general public, our contractors while meeting our obligations under all applicable regulations. To ensure our commitment to safety, we (1) support and promote effective training, (2) support the continued development and integration of safety data analytics and artificial intelligence into a Safety Management System (SMS), (3) continually assess and manage safety risks associated with the introduction of new equipment, new routes and new initiatives or projects and (4) reinforce and promote safety reporting, protecting safety critical information in order to inform our decisions going forward.

At all levels of the operation, and in accordance with the *Canadian Aviation Regulations* (CARs) and IATA Operational and Safety Audit (IOSA) Standards, we implemented a **Safety Policy**, appropriate for the size and complexity of the organization. It is the basis of the Air Canada SMS.

We maintain a robust SMS with accountability for Safety, ultimately lying with the most senior corporate executive. Supporting this goal is an extensive reporting structure to identify, track, report and remedy any safety issues that arise. In addition, we actively promote safety throughout the organization with specialized training, education, and awareness programs.

We also maintain a safety checklist for our contractors working on our premises.





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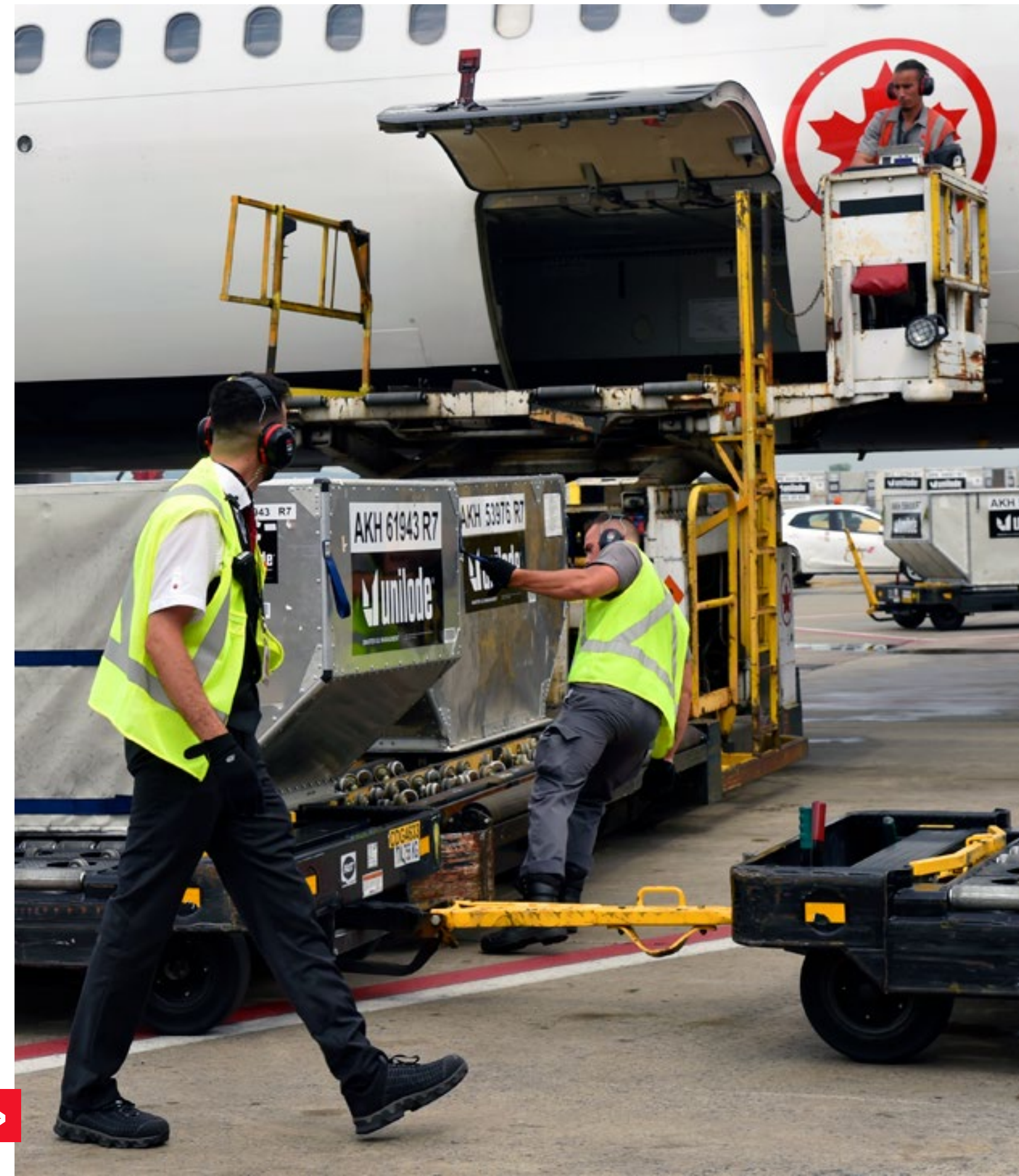
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SAFETY MANAGEMENT PROGRAM

To improve the safety performance of Canadian air operators and increase accountability in the aviation sector, CARs require air operators to implement a SMS in their organizations and appoint executives who are accountable for safety. A SMS is a systematic approach to managing safety, including through the necessary organizational structures, accountabilities, policies, and procedures. Both Air Canada and Air Canada Rouge have implemented a SMS which meet and exceed the requirements of applicable laws.



The SMS ensures:

1. Active involvement of management, employees and Safety and Health Committees.
2. Continual development, monitoring and improvement of effective safety practices.
3. Appropriate training and education programs.
4. An inspection and audit process that provides feedback and results with timely corrective action.
5. A safety performance system that provides timely feedback to all employees.
6. A commitment to the communication and promotion of safe work practices and processes.

Air Canada's President and CEO has been appointed as the "Accountable Executive" for the Air Canada SMS and the Air Canada Rouge SMS. The Executive Vice President, Operations reports directly to the President and CEO and has overall responsibility for all aspects of safe, reliable, and efficient operations throughout Air Canada's worldwide network. The Senior Vice President, Operations has the overall authority and accountability to lead the Maintenance branch and is accountable and responsible for operational oversight of the following areas: Airports (North America), International Operations, and System Operations Control (SOC). He is the "Person Responsible for Maintenance" under applicable regulations. The Vice President, Flight Operations is the designated "Operations Manager", responsible for safe flight operations and control of the SMS. The Vice President, Flight Operations reports directly to the Executive Vice President, Operations. The management functions for the SMS are assigned to the Vice President, Safety.



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Reporting directly to the President and CEO, the Vice President, Safety is accountable for the overall safety performance of the organization. He is responsible for Safety (internal and external), Environment and Quality: Employee Health and Safety, Environment, Quality Assurance, Risk Management & Audits, Flight Safety (Cross-Branch Investigations), Emergency Response & Business Continuity, and Security mission, vision competencies and strategies. The Vice President, Safety is designated as head of security and is accountable for ensuring the implementation and maintenance of the Air Carrier Security program, and Security Management System (SeMS).

Effective safety management is critical to ensure hazards and risks are identified and held to the lowest level. In 2019, we successfully managed the safety risks and hazards associated with the launch of new routes, the grounding of the Boeing 737-MAX and the introduction of new aircraft.

Our established and effective structure was key for quick and effective decision making at the onset of the pandemic and continues to yield advantages. Early on, we activated our Pandemic Preparedness Plan, which included daily Pandemic taskforce meetings regrouping all operation decision makers, to ensure best practice and effective coordination. The taskforce provided a command and control structure that enabled the Company to monitor reports from government agencies, to issue illness prevention and infection control measures to employees, to review supplies and ensure appropriate levels of personal protective equipment, and to implement alternative workplace options including working remotely.





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COMMUNICATION

We employ numerous communications processes within the organization to promote safety and permit the SMS to function effectively. It is also imperative that there is uninhibited reporting of hazards and occurrences that may compromise the health, safety, and/or security of Air Canada, its employees, customers, or property. Our Safety and Security Reporting Policy provides a confidential process, and assures that no Company disciplinary action, or reprisal, will be taken against any employee who reports a hazard or occurrence that affects safety.

SAFETY INFORMATION MANAGEMENT

All safety data at Air Canada is stored within the Air Canada Safety Information Management System (SIMS). Safety reporting is accessible to all employees via SIMS for the purposes of submitting a report and receiving acknowledgment. This system facilitates and enhances our capabilities in the capture and analysis of safety reporting and quality assurance data. It also includes the capability to monitor safety risk and compliance and links to Occupational Health and Safety tools. The configuration allows employees to submit hazard reports including health and safety concerns which are then handled by the appropriate committee via the tool. This online repository for health and safety information is accessible to all health and safety committees.

An investigation and research group consisting of experts recruited from across all operational branches forms the core safety team. It collects and manages information related to safety gathered through the reporting system. Supported by its investigation and flight data monitoring experts, this group catalogues trends in incidents, reports on flight safety, conducts flight analysis and flight re-creations, develops comprehensive statistical data for senior management and identifies operational trends, threats, risks and hazards. This group leads all formal investigations, conducts industry benchmarking activities, participates in international aviation forums, and provides detailed quality analysis on the reporting tools and the safety process itself.

All safety metrics are reported on a quarterly basis to each branch and ultimately the Corporate Safety Board (comprised of executives and senior management) and the Board of Directors (Safety, Health, Environment and Security Committee). This continuous feedback loop improves and informs our training on health and safety risks and keeps good working practices in place.



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SAFETY REPORTING POLICY

We also maintain a safety reporting process that ensures confidential reporting. Under the Safety and Security Reporting Policy, except in the case of gross negligence or willful infractions, the identity of an employee who reports a hazard or occurrence, will not be disclosed unless agreed to by the employee or required by law, and no Company disciplinary action, or reprisal, will be taken against the reporting employee.





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THIRD-PARTY AUDITS & INSPECTIONS

In November 2019, Air Canada successfully completed a multi-disciplinary process inspection (MDPI) with Transport Canada. This process ensures that Air Canada is fully committed to the principles of the SMS program and that its operations are in full compliance with all aspects of an effective SMS program.

In November 2019, Air Canada and Air Canada Rouge conducted the IOSA audits. Both airlines successfully completed the IOSA audits, comprising over 900 standards to be met using a structured audit methodology, including standardized checklists, with the following results; Air Canada received three findings, and seven observations while Air Canada Rouge received two findings, and eight observations. Air Canada continues to maintain exemplary IOSA results and, in 2019, achieved its objective to be ranked in the top 3 per cent of airlines. The IATA IOSA program is an internationally recognized and accepted evaluation system designed to assess the operational management and control systems of an airline. The IOSA audit creates a standard that is comparable on a world-wide basis, enabling and maximizing the joint use of audit reports. IATA members are IOSA-registered and must remain registered to maintain their IATA membership. Air Canada is also required to complete a biennial audit successfully to remain a Star Alliance member.

SAFETY CULTURE SURVEYS

Biennial voluntary confidential safety culture surveys are conducted as an opportunity to get a sense of our employees' safety voice. In 2018, 81 per cent of the respondents responded positively, up 3 percentage points from the previous survey held in 2016. Exceptionally, due to the pandemic, the 2020 survey will be conducted in 2021.

ASSOCIATIONS

Air Canada is also a leading and engaged member of international safety initiatives and is actively involved in IATA, ICAO, A4A, NACC, the Aviation Safety Information Analysis and Sharing (ASIAS) and regional safety meetings and working groups. We are closely aligned with IATA and the Star Alliance® network concerning international benchmarking of standards and safety performance and share our experience and knowledge, especially in the field of Flight Data Analysis, to help develop advanced safety tools for a better understanding of risk, threats and hazards.





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PRIVACY & CYBERSECURITY

When we talk about Safety First, Always, this extends to privacy and cybersecurity. We are committed to protecting our customers' and employees' personal information and their right to privacy. Our Privacy Policy describes how we collect, use and disclose personal information. It also describes the rights of individuals over that information. Our Privacy Compliance Office is responsible for overseeing what we do with the information and for monitoring compliance with this policy and data protection laws.

In 2019, we continued to implement our Privacy Action Plan to enhance our privacy posture across the organization. We remain focused on creating and maintaining a robust privacy infrastructure to meet regulatory standards and maintain customer trust.

In this context, a Privacy Executive Committee steers and coordinates the overall direction of our privacy strategy and implementation, monitors its performance and potential risks, and promotes a culture of privacy. Over 30 policies and procedures, including Air Canada's Privacy Policy, were reviewed, and updated and procedures were implemented to bolster best privacy practices. Privacy compliance matters are also reported to the Audit, Finance and Risk Committee.

Despite the growth in operations over the years, privacy customer complaints have not seen a material increase. In 2018, we detected unusual log-in on the Air Canada mobile app, affecting approximately 1 per cent of 1.7 million app users at the time, which resulted in an increase in substantiated complaints compared to 2017. In November 2019, during the changeover to our new reservations system, a glitch caused a duplication of new bookings with prior customer bookings. This resulted in an increase in substantiated complaints compared to 2017 (excluding the mobile app issue of 2018, they were at comparable levels to 2017). The issue was quickly corrected.





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We developed a cybersecurity control framework, which includes independent assessments of Air Canada’s cybersecurity practices, to provide a better understanding of its overall security posture. In 2019, we conducted two third-party cybersecurity assessments. The first assessment was focused on the maturity and effectiveness of the cybersecurity program and the second was a penetration test to assess the risk of cyberattack. The results of both assessments found no significant risk.

We also engage third-party firms periodically to assess the cybersecurity implications of projects and significant changes to the environment.

As part of our third-party risk management process, we seek to ensure that our vendors have effective cybersecurity controls that are aligned with Air Canada’s and best-practice cybersecurity policies and standards. As part of these processes, we require certain vendors to conduct security awareness training with their employees.

Internal controls and Payment Card Industry Data Security Standard (PCI DSS) controls are assessed annually in accordance with the National Instrument 52-109 (NI 52-109) auditing standard and PCI DSS 3.2.1 respectively.

At Air Canada, our commitment to keep data secure and protect its integrity and confidentiality is everyone’s responsibility. Employees regularly receive reminders on the topic and every October, we celebrate Privacy and Cybersecurity Awareness Month with a campaign comprised of weekly cybersecurity and privacy awareness themes to prepare employees better for existing threats and how to handle them at work or at home. On January 28th, the date on which Data Privacy Day is recognized internationally, we reiterate the essential role of privacy to our stakeholders through activities such as awareness campaigns, live stream events and other interactive initiatives.

Employees are required to use Multifactor Authentication (MFA), a tool that adds another level of protection when accessing Air Canada Web-based applications or services from outside the internal network. It gives our network an extra level of prevention against cybersecurity threats such as network breaches, hacking, and credential compromise. In 2018, our management team was required to enroll using their corporate or personal devices. In 2019, the Multifactor Authentication program was further deployed to Air Canada and Air Canada Rouge employee base.





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A carrier's sustainability is directly dependent on how its customers feel they are treated as individuals, how well the airline engages, trains, and motivates its employees, and how it contributes to its communities. As such, we have invested in people and will continue to do so.

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Engaged and devoted employees



Our journey of building and nurturing our culture at Air Canada has earned us deep, emotional connections with our employees. We nurture these connections through ongoing partnerships with our unions and active listening, including formal mechanisms such as ongoing employee engagement surveys, and a variety of informal measures. This investment has led to us consistently ranking as a leader for employment practices and engagement. Satisfied, safe, healthy, and engaged employees make for satisfied customers and positive contributions to the wellness of our communities.

We invest continuously in the wellness of our communities and continue to focus on good occupational health and safety practices, sound recruiting, training, refining our talent attraction practices, rewarding performance, providing opportunities to learn and develop, and cultivating a diverse and inclusive place to work.





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Safety

OCCUPATIONAL HEALTH AND SAFETY

At Air Canada, we believe in Safety First, Always, in all capacities, and take occupational injuries and illnesses very seriously. Occupational injuries and illnesses can provoke major crises for the families in which they occur. Our Occupational Health and Safety (OHS) program is designed to protect workers from occupational hazards, minimizing risks to their health and well-being. The program establishes procedures for dealing with workplace hazards and meeting our obligations under applicable laws and regulations.

All employees can provide input into the program and are encouraged to provide suggestions and ideas on how to improve safety. This creates opportunities across the organization as it helps foster a culture of continuous improvement. While the underlying focus is safety, the program also translates into cost savings by reducing employee absences.

A critical element of the OHS program is the Hazard Prevention program, which allows Health and Safety committees to identify and assess workplace hazards, and to determine appropriate controls to mitigate risks. These committees cover all employee groups at Air Canada. The Corporate Safety and Emergency Management department also provides primary and important support for a series of Health and Safety committees throughout the organization as well as external committees, and monitors compliance with the *Canada Labour Code* and other applicable legislation. We ensure employee safety programs are documented, implemented, effective and continuously improving.

There are six Policy committees and 58 local Health and Safety committees at Air Canada that are working together to improve our safety program. Air Canada Rouge also has Health and Safety committees. They conduct workplace inspections, investigations when accidents occur, evaluate health and safety complaints that are escalated to their level, and report back their progress to the respective authority including Employment and Social Development Canada or Transport Canada.

Continuously advancing our collective Health and Safety knowledge, in October 2019, about 140 Health and Safety committee members from across our branches gathered at the 2019 Health and Safety Symposium in Montreal. Hosted by our Corporate Safety group, the two-day event provided attendees with the opportunity to hear from internal and external experts on a range of current topics affecting our industry, such as infectious diseases, manual handling techniques, OHS regulatory changes, ergonomics and exposure. Bringing the members together for a meet-and-greet also allowed them to learn from each other, while activities such as virtual reality (VR) offered a hands-on way to test out the latest in safety through interactive products and apps.





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Safety

Engaged and devoted employees

We employ numerous communication processes within the organization to promote safety and provide for the Safety Management System to function effectively, including by promoting North American Occupational Safety and Health (NAOSH). NAOSH week is an annual campaign to raise awareness about Health & Safety both in the workplace and at home.

Our effectiveness in mitigating the COVID-19 crisis was aided by the fact that our top guiding principle was Safety First, Always. Keeping open communication lines, our expert leaders held several all-employee information conference calls, allowing employees to ask questions related to COVID-19. They were often joined by infectious disease specialist and CEO of BlueDot, Dr. Kamran Khan. BlueDot is a digital health company which uses human and artificial intelligence to protect the world from infectious disease. We have been collaborating with BlueDot since the spring of 2019. The relationship has served us extremely well, especially during the COVID-19 outbreak.



We recognize the importance to mobilize timely and effective communications, for efficient, coordinated, and measured responses to epidemic threats.

— *Sam Elfassy*
VICE PRESIDENT, SAFETY





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The disability management professionals are engaged in making it easier for injured workers to come back to the workplace through the Return to Work programs (for both Air Canada and Air Canada Rouge). These programs help ensure employees in need of medical attention seek it immediately and are brought back to work when capable, including in a limited capacity. These programs, along with the teams involved in injury prevention, ensure that integrity in the OHS programs is maintained by monitoring key performance indicators (KPIs) and the Hazard Prevention Program for accuracy. For 2020, there are already action plans in place to address the Return to Work program utilizing a new phased-in approach along with technological advancements (using virtual reality) to support effective education for those injured in the workplace.

KPIs are monitored and reviewed at branch management meetings. These discussions include performance metrics, prevention and mitigations for current hazards and opportunities to bring forward action items to leadership. KPIs include non-compliance sanctions under applicable law, lost time injuries, lost time days lost and total Workers' Compensation Board costs.



Our most common injuries remain strains and those resulting from slips and trips. We work continuously towards reducing our lost time injuries. In 2019, we recorded 1,231 lost time injuries for Air Canada and Air Canada Rouge. Among other factors, due to the early beginning of the winter season, two prevention projects were not implemented in time for the 2019 winter season timeframe. For 2020, we aim to achieve at least a 5 per cent reduction in lost time injuries.



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WORKPLACE SAFETY MEASURES

We have a myriad of workplace safety measures in place to ensure the safety of our employees. Here is a brief overview of some of these measures:

Workplace Violence and Harassment Policy

We are committed to providing all employees with a safe and healthy workplace free from violence and harassment. To that end, we enact the Workplace Violence and Harassment Prevention Policy to prevent workplace violence and harassment (which also includes discriminatory harassment) and act with remedial measures.

We have dedicated attention, resources, and time to address factors that contribute to workplace violence, and regularly communicate related information to employees. Respect in the Workplace training is regularly delivered – the basis of which is to engage one another respectfully even when we have diverging opinions and perspectives.

Policy on Drugs and Alcohol

The use of intoxicating substances jeopardizes job performance and creates safety hazards for employees and the public. We take seriously our responsibility to maintain a safe workplace (and related operations), free from the adverse effects of intoxicating substances, including alcohol and drugs, and have an effective policy on drugs and alcohol in place. This policy is a component of our overall safety program.

Training

Our mandatory safety training programs also play an instrumental role in ensuring safety. For instance, with every new aircraft, our operating crews undergo comprehensive training in every capacity. This training includes every aspect of the normal and emergency procedures associated with the aircraft. For example, training of the 8,000-strong cabin crew team began in July 2019 for the Airbus A220-300 that entered the fleet in December 2019.

We also have in place necessary resources and infrastructure to ensure continuous training, such as our fleet simulators. These assets are important for our pilots to continue using their practical skills, especially during a downturn. Air Canada owns Boeing 737 MAX simulators, which are key assets for us for when the Boeing 737 MAX are reintroduced.

Equipment

Automated External Defibrillators (AED) have been on our aircraft for several years, and a few years ago, we moved forward with the installation of AEDs in the workplace. By 2019, all our facilities were equipped with defibrillators. We continue to monitor and maintain such AED units so that they are fully functional and compliant.





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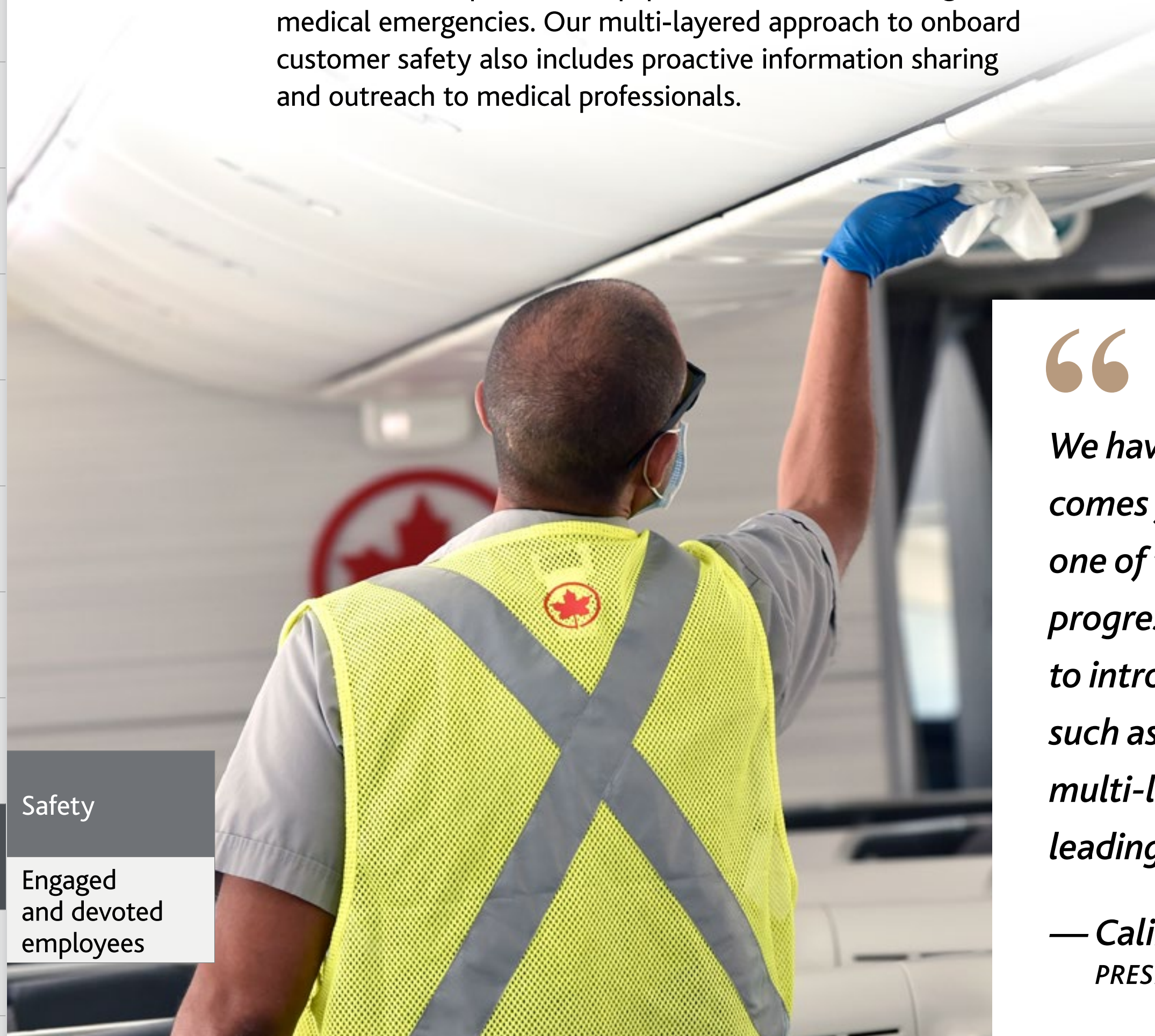
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ONBOARD AND OTHER SAFETY MEASURES

A safe travel environment allowing our customers to travel with confidence is critical to us and governs how we manage our operations. However, our customers can rest assured knowing that we do not stop there. We prepare for the unexpected, through a range of rigorous training and have access to specialized equipment to deal with in-flight medical emergencies. Our multi-layered approach to onboard customer safety also includes proactive information sharing and outreach to medical professionals.



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Training & Equipment

Our cabin crew are trained to provide lifesaving procedures over and above those mandated by aviation authorities, are qualified to use advanced equipment on board, such as AEDs and have access to medical professionals 24/7 via our service provider for medical assistance.

In 2019, we also took steps to equip our aircraft with units allowing for real-time electronic transmission of vital signs to get the best remote diagnosis and treatment support available. This will be implemented in 2020.

Seeing the devastating effect of the rise in opioid-related overdoses and deaths in Canada, in early 2018, and prior to any regulation mandating us to do so, we began carrying Naloxone kits onboard. Naloxone (or Narcan) is a medication used to block the effects of opioids. Our onboard medical kits were completely overhauled in 2018.

“

We have always said that the safety of our customers and employees comes first. Testament to this commitment, on January 29, 2020, we were one of the first international carriers to halt operations to China amid the progression of COVID-19. We were also the first North American carrier to introduce a variety of health and safety protocols ahead of regulations such as mandatory wearing of face coverings and temperature checks. Our multi-layered protocols have been branded as Clean Care +, an industry-leading program committed to end-to-end health and safety protocols.

— Calin Rovinescu
PRESIDENT AND CEO

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Ongoing Dialogue

We have proactively reached out to the medical community to share information on the medical resources and equipment on board. In 2019, we participated in the Family Medicine Forum, the largest gathering of family physicians in Canada.

We also maintain a constant dialogue with medical professionals. For instance, after any medical situation on board, our medical experts will reach out to each medical volunteer involved (first responders, nurses, doctors, etc.) to get feedback on the situation and obtain their insights on how to continuously improve.

Emergency Response

From “First Responder” duties to dealing with survivors in the aftermath of an incident or accident, our employees are available 24/7 to respond in the event of an emergency. Our Special Assistance Team, consisting of employees and retirees from across our network, play a crucial role in our overall Emergency Response Plan as they are trained to provide care and assistance to family members and customers in the aftermath of an aircraft accident.





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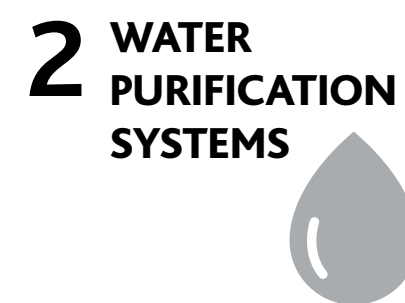
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SAFETY OF OUR COMMUNITIES

When a crisis occurs and heartbreaking images of fire, flood, war, and other disasters are all over the news, people around the world band together to help. To optimize Air Canada's response and meet quickly the needs of our communities, in 2019, we put in place a Humanitarian Committee which includes members from Emergency Response, Operations, Cargo, Revenue Management, Government Relations and the Air Canada Foundation.

2019 Floods

In the spring of 2019, thousands of people in Eastern Canada faced severe flooding, with portions of the Ottawa-Gatineau region, southern New Brunswick, and several areas in the province of Quebec among the hardest hit. Air Canada partnered with humanitarian aid organization GlobalMedic to deliver emergency relief, which included specialized kits shipped via Cargo and "on-the-ground" help from the Special Assistance Team volunteers. We shipped more than 160 pre-assembled clean-up kits and 150 hygiene kits to Quebec City. Similar initiatives were organized for New Brunswick, where Cargo shipped materials in bulk to Saint John Airport. Supplies were also shipped out of Toronto. The Air Canada Foundation also made a \$50,000 donation to the Canadian Red Cross Flood Appeal.



Hurricane Dorian

When Dorian, the category 5 hurricane recorded as the strongest in the history of the Bahamas, ripped through the archipelago in early September, Air Canada reacted quickly to provide relief. Together with 50 Air Canada employees who volunteered over two weeks, the Air Canada Foundation worked with GlobalMedic to pack various aid items for transport and deployed:

- 15 Rapid Response Team members
- 3,868 family emergency kits
- 22,130 kilograms of emergency food
- Two AR3 large-scale water purification systems
- Four critical infrastructure tents
- One RescUAV program (drones used to provide aerial images of disaster-affected areas and relay information in real-time to responders)

The food and hygiene supplies were transported to displaced Bahamians. The items sent to those affected were important, particularly the water purification systems and purification tablets, as access to clean water is always an urgent priority to prevent the spread of disease.

In addition, Air Canada Vacations ran a special promoting travel to Nassau and Great Exuma, which were unaffected by the hurricane, with \$10 from each sale going to relief efforts on the ground. By the end of 2019, more than \$25,000 was donated to go directly to the relief efforts.





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As part of our approach to fostering a positive culture and an engaged and productive workforce, we have developed extensive employee support systems.

In this regard, leadership development and guidance emanate from the group led by the Executive Vice President, Chief Human Resources and Communications Officer, supported by a capable team of professionals in various disciplines including Training, Total Rewards, Talent and Succession, Employee Engagement, Diversity and Inclusion, Recruitment, Human Resources generalists, Employee and Corporate Communications, Linguistic Services, Office of Accommodation and Harassment Office.

The Labour Relations (LR) branch has responsibility for the ongoing management of relations between the Company and its unionized workforce, which has become more central to LR's role with recent long-term labour contracts that have provided labour stability.

LR also reports to the Executive Vice President, Chief Human Resources and Communications Officer and is responsible for negotiating, implementing, and overseeing collective agreements.





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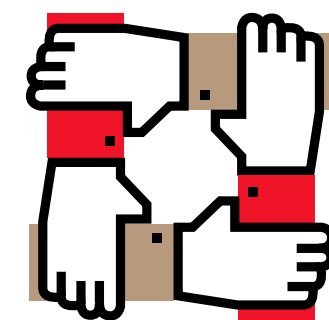
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STRONG LABOUR RELATIONS

Starting in 2014, we entered into multiple long-term labour agreements with unions representing our unionized workforce.

In 2019, we concluded an agreement with Unifor, representing agents working in the Aeroplan customer service function. In early 2020, Air Canada and Unifor, representing the airline's customer service and sales agents, concluded a tentative agreement for collective agreement terms for six years, ending February 26, 2026. These agreements provide additional stability and flexibility and demonstrate a collaborative partnership.

The deep and strong relationship we have with our major union groups is a fundamental pillar of our sustainable future. Additional details on the developments of our labour agreements can be found in our **2019 Annual Report**.



In 2019, **86%** of Air Canada's workforce was **unionized**.





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BENEFITS

Most permanent employees at Air Canada are enrolled in a corporate sponsored pension plan. Though some employees belong to a defined contribution plan, most belong to defined benefit plans—which is unique in the sector and increasingly rare in Canadian workplaces. Some employees are enrolled in a multi-employer pension plan to which Air Canada makes contributions. Employees are provided with comprehensive group benefit coverage that ensure protection in the areas of health and dental care costs, income security in the case of disability and life insurance benefits in the event of injury or death. Some employees are enrolled in a program which also offers a health spending and/or wellness account.

During 2019, Air Canada contributed \$144 million to the pension plans, including defined benefit and defined contribution corporate sponsored and multi-employer plans.

We share our success with employees through Profit Sharing Programs and/or an Annual Incentive Plan, which both pay out when certain corporate targets are met. Although temporarily suspended due to the COVID-19 impact on Air Canada, we also offer an Employee Share Purchase Plan, which permits eligible employees of Air Canada to invest a percentage of their salary towards the purchase of Air Canada shares, with a company match by Air Canada.

We have also implemented flexible policies, whether to accommodate a particular situation, providing reduced work weeks to help prepare for retirement or other personal leave policies. One example is the Parental Sharing Policy, which we have had in place for more than 10 years. It was amended in March 2019 to introduce Parental Sharing Benefit measures to promote more equal parenting roles by encouraging parents to share parental benefits. Amendments also increased the duration of the parental/adoption leave to different maximums depending on how the leave is shared and whether maternity leave is shared with parental leave. Under the Personal Leaves Policy, employees can apply for leave for personal reasons, for family responsibility, for victims of family violence and leave for traditional Indigenous practices.





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EMPLOYEE SATISFACTION

A primary way we measure employee satisfaction is through a Company-wide employee survey. Nearly 13,000 employees—38 per cent—participated in the 2019 Employee Engagement Survey where the majority shared that they are inclined to promote Air Canada. Some of the highest positive responses noted the ease of interaction among different work groups, and the ability for people of all backgrounds to succeed in the Company. A strong majority of respondents felt free to go to their immediate supervisor if they have a problem or a question, to use the official language of their choice in the workplace, and remarked that materials and tools were available in both English and French.

In addition to the Employee Engagement Survey, employees have the opportunity to share their thoughts and ideas at all times through our internal social media platform, Yammer, and through Shine, employees can also participate in a weekly exercise to help us understand the Company pulse better.

At Air Canada, we understand that at times, good work and compassionate acts can happen behind the scenes and in ways where it is difficult to provide recognition on a large scale. Therefore, we leverage Shine, an employee engagement and recognition platform that allows all of Air Canada's employees across the globe to recognize each other for their contributions to the Company's success, no matter how big or small. Over the past five years, Shine has become ingrained in the Air Canada culture and has made it easy to encourage behavior that aligns with the Company values, while providing encouragement and support from employee to employee. It is easy to recognize employees on an individual level, team level and even enterprise-wide. Nearly 277,000 recognitions were received in 2019.



Nearly **277,000** recognitions received in 2019

TALENT ACQUISITION

The retention and cultivation of employees is the cornerstone of a healthy work culture and protects the longevity of a business while setting it up for future success. As a sustainable corporate citizen, we look to have a positive impact on our communities, locally and globally. Therefore, focusing on building a sustainable workforce is mandatory to contribute to socio-economic development. This is made possible with the people behind the scenes at Air Canada, our Talent Acquisition professionals. Sustainability unites the teams responsible for creating a better work culture and healthier work-life balance, while contributing positively to customers and the world.

From 2009 to 2019, our workforce grew by 33 per cent. During this time, we continuously polished our talent acquisition process, transforming recruiters into brand ambassadors; revamped our career Website, using social media and other communication tools to promote careers at Air Canada; and organized outreach networking sessions and worked with community partners to recruit multilingual and diverse candidates. This strong foundation will be key as we begin to rebuild the airline once we emerge from the COVID-19 crisis.





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TRAINING AND EDUCATION

Air Canada invests in a variety of training and development initiatives that reflect its diverse operations, from French and English-language training for airport employees, to sophisticated flight training and simulators for airplane personnel, to learning centres and cutting-edge game-based learning to engage and inspire employees of every generation.

Training is both iterative and constant, and evolves as new aircraft, new safety measures and new processes are introduced. It is fully integrated throughout the organization, and includes mandatory compliance training, and new hire training, as well as soft-skill competency-based and general development. We have created opportunities for young people through active co-op and apprenticeship programs. Newly hired employees begin orientation at the outset through our Onboarding program, which provides support from the recruitment process throughout their first year. From there, employees receive recurrent training and are offered many opportunities to strengthen both their technical and “soft” skills.

We focus on hiring exceptional talent and growing the professional development of employees by assisting them to determine career path options with multiple opportunities to stay and grow within the organization. In 2019, over 94 per cent of management employees received performance reviews. The process involves setting goals at the onset, regular check-in conversations and year-end performance reviews.

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In 2019, over 32,000 employees received training on various subjects. A significant amount of training and effort went into preparing 10,000 employees globally for the transition to our new Passenger Service System (PSS). With the integration of this revolutionary PSS also came innovation through a diverse set of training opportunities for employees, including online modules, in-person courses and virtual support. The virtual training and support provided flexibility for employees and change agents as it minimized travel time to the workplace.





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We cannot ignore the impact of the COVID-19 pandemic on our practices, especially as we were faced with the heartbreaking reality of needing to layoff many of our colleagues. Nonetheless, talent management and retention will remain a key focus for the future of the organization. To become leaders in sustainability, we need sustainable leaders.

As we focus within, we are committed to providing development opportunities and career progression to our employees. In accordance with our Recruitment Policy, all recruitment initiatives must emphasize our dedication to encouraging internal transfers. Some collective agreements also provide for opportunities to try other positions within the Company, while protecting seniority and job position for some time.



Air Canada recognizes that employees' professional development and competencies are not acquired through training alone and continues to look for ways in which experiential learning will help employees drive performance, innovation, and organizational success. In 2019, it offered several Emerging Leaders programs such as Managing the AC WAY, Leading the AC WAY, mentoring, coaching, and others like HR fundamentals, and the new directors in development series which all offer experiential learning opportunities.



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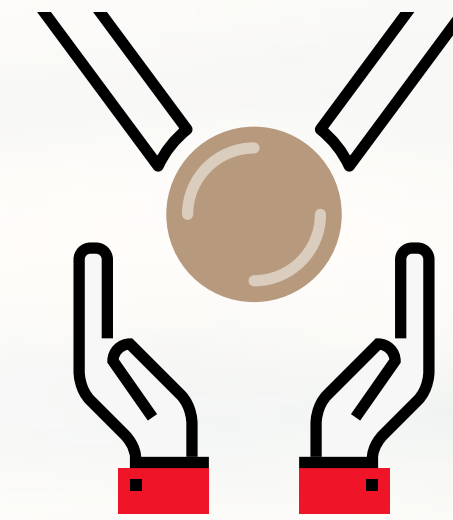
WELLNESS

When we talk about prioritizing the health and well-being of our employees, we are not only talking about physical health. Our Corporate Wellness program has a 4-prong approach: (1) overall health and wellness, (2) mental health, (3) financial health, and (4) work health. In 2019, a new management position was created, with general oversight of the program.

Upgrade to a Better You

Upgrade to a Better You (UBY) is Air Canada's unique well-being program that offers personalized programs to employees and equips them with various resources, tools, and expert advice on things like health and financial management and overall well-being – health and wellness; mental health awareness; financial well-being; and attendance support. Through this program, employees have access to LifeSpeak, a total well-being platform which gives employees and their family members instant access to information and expert advice on all kinds of topics, from physical and mental health, to relationships, financial health, and caregiving.

In 2020, we are looking to develop a mobile app, so that employees can have access to the UBY resources at their fingertips.



We continuously assess and update our Corporate Wellness program. In 2019, a third-party assessment was conducted, and we achieved Bronze certification with Excellence Canada on mental health in the workplace.





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Employee and Family Assistance Program

Employee groups benefit from the Employee and Family Assistance program (or other similar programs), a confidential and voluntary support service with immediate help for any work, health, or life concern.

These pre-existing resources were leveraged and have been regularly communicated to employees throughout the COVID-19 pandemic so that employees can receive the support they need. We also provided training to managers to raise awareness and sensitize managers around the importance of mental health in the workplace so they can best support employees.



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HEALTHY FOOD AWARD

At the PAX International Readership Awards in 2019, we were honoured to be awarded the Outstanding Food Service in North America Award. These accolades speak to our commitment to customer wellness and service excellence. Our continuous investment in products and services includes our partnership with Canadian chef, David Hawksworth, to create route-specific meals and healthy choices.





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WELLNESS OF OUR COMMUNITIES

Air Canada's contributions to the well-being of communities take various forms. Through the Air Canada Foundation, it directly funds or otherwise supports charitable programs to benefit vulnerable children. To maintain strong linkages with local communities, particularly around economic development, it develops community partnerships. It also supports a wide range of cultural activities, including in the arts, sports, and other areas.

One of the things that makes us most proud of our employees is their care and class, not just in their daily duties on the job, but also in their desire to lend a helping hand and engage in their communities during times of need. We whole-heartedly support our employees and in addition to providing community engagement opportunities, provide support for initiatives and charitable organizations they are personally involved with outside the Company.



Finally, we also invite our customers to participate with us, through their actions and the Aeroplan donation platform.





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Helping Kids Reach New Heights

The Foundation is a registered charitable organization and aids Canadian registered charities. Its priorities are the health and well-being of children and youth, connecting sick children to the medical care they need, wish fulfillment, and the alleviation of child poverty. Additionally, it supports other major health-related causes that have a broad impact on the lives of Canadians and, when the necessity arises, provides humanitarian help. The Foundation is governed by a standalone Board of Directors.

In 2019, the Air Canada Foundation raised more than \$2 million net, a record-breaking number. The annual Air Canada Foundation Golf Tournament is the foundation's largest fundraising event. Hosted in the Greater Montreal Area, the tournament brings together Air Canada's largest partners for an exciting day with a great cause. In 2019, the eight annual golf tournament successfully raised \$1.2 million net.

The Foundation is also proud to support Air Canada employees in their charitable and volunteering initiatives.

To learn more about the Foundation's impact, please see the **2019 Air Canada Foundation Impact Report**.



Making your Miles Matter

The Aeroplan donation program helps Aeroplan members support Canadian-based initiatives that are working to improve lives and assist communities locally, across Canada and around the world. With 72 new charities joining the donation program in 2019, Aeroplan members are now able to connect with more than 300 organizations, charities and causes they care about. In 2019, a grand total of 101,121,325 miles were donated by Aeroplan and its members online throughout the year. Every mile donated helps to make a difference and contributes to worthy initiatives in our communities.



The Air Canada Foundation could not do what it does without its valued partners and their impactful work to improve the lives of children with diverse needs around the country. Throughout the year, with in-kind and financial donations, the Air Canada Foundation supported a total of 396 fundraising initiatives and 315 charities. The Foundation fundraised more than \$2 million for our communities. A grand total of more than 10 million Aeroplan Miles was also raised, and the Foundation donated 13,150,000 miles going to support programs like the Hospital Transportation program, which provided 348 flights for children and their families to access medical care not available in their communities.

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Our Employees Pedalling for Good

Air Canada and the Air Canada Foundation were proud to support the Grand défi Pierre Lavoie, a 1,000-kilometre annual cycling event that has participants ride from La Baie, Quebec, to Montreal over the course of three days and three nights. The partnership included a donation to the Grand défi Pierre Lavoie Foundation to support research on hereditary orphan diseases, implementation of healthy lifestyle projects and transportation of 40 young winners from a school located on Quebec's Lower North Shore to Montreal so that they could experience *La Grande récompense*. Several employees participated by joining the cycling event.

For several years now, many of our employees have taken great initiative and participated in various chapters of the Enbridge® Ride to Conquer Cancer (RTCC). In 2019, more than 40 employees, together with friends and family, raised funds and pedaled in Ontario and Quebec on the Enbridge® Ride to Conquer Cancer (RTCC). All the money raised went towards cancer research at the Toronto-based Princess Margaret Cancer Centre and Montreal's Segal Cancer Centre. In recognition of its unwavering support and for collectively raising (with Ontario, Alberta, and British Columbia chapters) \$150,000 during the 2019 campaign, Air Canada's RTCC team received the Industry Challenge Award at the Rider and Ambassador Recognition ceremony in Montreal. With unwavering commitment, Air Canada cyclists have collectively raised more than \$1.3 million since they began supporting this cause.

Each year, with the Air Canada Vacations Bike Challenge, a committed group of cyclists and volunteers ride from the Toronto SickKids Hospital to the Montreal Children's Hospital, travelling 580 kilometres over three days. Participants raised funds for the event, with 100 per cent of donations going to support cancer needs at SickKids and the Montreal Children's Hospital. In 2019, 25 per cent of funds went to support SickKids, with the remainder of the funds supporting Montreal Children's and the Cerebral Palsy registry.



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In 2019 several Air Canada Rouge employees donated their time to various charities, including the Ronald McDonald House, Moisson Montréal, the Mississauga Food Bank and the Breakfast with Santa Foundation. We love to see our employees engaged in worthy causes that are close to their heart. With compassion and dedication, it is a joy to see them give back and support their communities.





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Employees Doing More for the Environment

Our employees are instrumental in how well we manage our environmental footprint. With many employees exhibiting concern for the climate crisis and passion for preserving and bettering our planet for generations to come, they have been key drivers for new environmental initiatives ranging from recycling programs to testing new technologies.

Further demonstrating initiative in caring for our communities and planet, in the summer of 2019, Air Canada employees planted more than 500 edible plants and bushes at *Centre d'hébergement de Dorval*. The food oasis provided the Centre's residents with a local supply of ecological fruits and vegetables in the cafeteria and created a biodiverse space for pollinators and birds to thrive. The initiative was also a great way for employees and residents to connect through the shared experience and post-planting coffee/tea and cookies.

Over the years, our employees have been active participants in numerous tree planting events in support of local charities. In 2019, 30 employees participated in an initiative with Partners in Project Green and together 100 trees and 330 shrubs were planted.



DID YOU KNOW?

In 2019, Air Canada headquarters was home to 100,000 bees living in two beehives. They produced approximately 200 jars of honey. Building on our program initiated in 2018, in 2019, our employees participated in two workshops focused on the importance of bees and honey extraction. The initiative has been a huge success!





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DIVERSITY AND INCLUSION

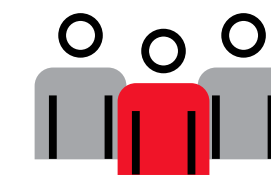
Diversity and inclusion are some of the values that contribute to making Canada the great country it is. As we fly the flag, we know that our strength as an organization lies in the celebration of these same values and is what makes us unique and enriches our workplace. It is one of the many reasons we are voted one of Canada's Top Diversity Employers each year.

We believe that a diversity of perspectives maximizes the effectiveness of decision-making. This belief in diversity was affirmed in a written Diversity Policy first adopted by the Board in February 2015 and, more recently, amended in February 2020. Moreover, we are a member of the 30 per cent Club and a signatory to the Catalyst Accord 2022, whose objective is to increase the average percentage of women on boards and in executive positions in corporate Canada to 30 per cent or greater by 2022. Air Canada established a target to have women representing at least 30 per cent of senior management by 2020 and we are proud to share that we have exceeded it by end of 2019. In addition, one-third of Air Canada's Executive Committee is comprised of women, and we are proud to have achieved our objective to have at least 30 per cent women on our Board of Directors.

Within the workforce, we aim to provide a work environment where all employees feel respected, actively listened to, and recognized as their authentic self. We help employees achieve their full potential and highlight all employees' unique contributions within a diversified and inclusive work environment. Our goal is to have a diverse workforce which represents Canada and allows our customers to recognize themselves in our employee workforce.

To achieve this goal, we have promoted equal career opportunities to communities, including non-traditional female roles and entry level and management positions to Indigenous communities. We have also built programs to recruit people with disabilities. We reached out to potential candidates by building partnerships with external organizations and by participating in career fairs and events. Through our employee communications channels, we regularly promoted and celebrated various cultures at Air Canada.

Diversity of Governance Bodies and Employees – 2019



Employee Group	Female	Minority	Persons with disabilities	Indigenous
Board of Directors	25.0%	0.0%	0.0%	0.0%
Executives	35.7%	7.1%	0.0%	0.0%
Management	51.6%	25.8%	1.0%	0.8%
Unionized employees	50.8%	30.5%	1.2%	1.5%
TOTAL	50.9%	29.9%	1.2%	1.4%

* Results are based on employee questionnaire, completed by 87% respondents. The reporting on 'Minority', 'Disabled' and 'Indigenous' are based on self-identification.



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Despite the recognitions received, we acknowledge that we can do more. The recent events in our society, including those affecting the Black community, are a good reminder that we must become better allies to racialized communities, to support our friends, family, and colleagues, to listen and to empathise. There is work to do to understand each other and our challenges better. Through working groups and other mediums and initiatives, we commit to continuing the dialogue with our employees, customers, and communities to identify solutions and improvements.

In 2019, we included our employees in networking events, diversity committees and employee resource groups, and worked towards raising awareness with our employees. In 2020, we aim to offer workshops and Diversity Conferences on topics such as unconscious bias and rethinking disabilities (abilities) and Indigenous culture.

In 2019, we created a Workplace Accommodation Office to support our duty to accommodate policy and develop a preventive approach to support the different stakeholders during the hiring and onboarding process. The intent behind having a Workplace Accommodation Office is to streamline the accommodation process and implement a consistent approach across Air Canada by being the central point of contact for any accommodation questions during the hiring and onboarding of new employees. The Office also provides guidance regarding Air Canada’s legal duty to accommodate, takes part in the accommodation process, and is responsible for the training and awareness of stakeholders. In line with our culture change approach, this new role works to foster an inclusive workplace by ensuring an equitable and consistent approach to assure a positive candidate and new employee experience.





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In support of our diversity and inclusion initiatives, in 2019, we conducted a pilot program, project SEARCH, with SCE LifeWorks—a charitable, non-profit organization we have partnered with since 2011. Project SEARCH is a unique business-partnered transition program for high school students with a developmental disability (e.g., intellectual disability or autism spectrum disorder), and is supported by various organizations.

For the third consecutive year, Air Canada also participated in the Dolphin Digital Technology mentoring day for people with a disability. Participants experienced in-flight service in Toronto and St. John’s, by shadowing our employees for a day. Through our partnership with SenseAbility, we also participated in a work-integrated pilot project.

To further our support, we welcomed nine participants from the EmploymentWorks program for a work immersion experience at the Air Canada headquarters in Montreal. EmploymentWorks is a national initiative, supported by the Miriam Foundation, aimed at providing work experience to young adults (ages 15-29) with autism.



We were proud to participate in the inaugural Open Skies for Autism event in Toronto, an initiative by one of our cabin crew colleagues. Open Skies for Autism brought the Air Canada Foundation and Toronto Pearson International Airport together to welcome more than 100 children and adults with autism, and their families, from Jake’s House and Autism Ontario, for a simulated airport and pre-flight experience. The day helped to prepare customers in advance of future travel by introducing them to the people and processes they can expect, with the goal of making their future travels a positive and comfortable experience. Participants began their journey by checking in for their Air Canada flight before proceeding through security screening, making their way to their gate, and boarding an aircraft where they received in-flight safety training and entertainment from volunteer Air Canada flight attendants before taxiing around the airport. The event received an outstanding amount of support and positive feedback from the families involved and was a heart-warming day that many of our employees were proud to be a part of.





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Pride

From June to early September, together with our employees, we took part in the Pride celebrations in Toronto, Vancouver, Montreal, Calgary and, for the first time, in Halifax and Winnipeg. We also supported Capital Pride in Ottawa. Close to 100 employees attended the first Pride flag-raising ceremony in Winnipeg, which was the start of a six-city, cross-country chain event symbolizing and celebrating our diversity in Canada as well as our culture at Air Canada, further underscoring our commitment to the LGBTQ2+ community.



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Women in Aviation

With a focus on the aviation industry and particularly Air Canada's culture that promotes diversity and female talent, there is no lack of examples to provide to show how Air Canada has excelled in this regard over the last few years. This culture has resulted in generating more interest from females for jobs that have traditionally been more male-oriented.

Capable women with the required skills and knowledge fly high at Air Canada, working as pilots flying the most sophisticated aircraft globally, as engineers maintaining technologically advanced airplanes and systems, and in specialized, multidisciplinary airline operations. Women also hold C-suite, executive and senior management roles across our airline.

We are passionate about helping women pursue non-traditional aviation careers. We are actively involved in multiple initiatives to increase the involvement and leadership of women at all levels of the industry.

Here are some of our 2019 achievements:

- For the fourth consecutive year, Air Canada marked International Women's Day with an all-female flight (AC832 from Montreal to Brussels), including pilot and cabin crew who were supported by all-female ground crews that provided customer boarding, aircraft sourcing, loading, pushback and flight watching functions.
- To further celebrate International Women's Day in 2019, the Operations Centre at Air Canada celebrated the accomplishments of women in aviation. Led by the women of SOC (System Operations Control), activities were held to raise awareness of gender equality and women's empowerment in the industry.



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We participated in the Canadian Women in Aviation (CWIA) conference, which was held at Algonquin College in Ottawa, Ontario. The focus of the event was to network, inspire, encourage, and support women in all aviation professions. More than 25 female Air Canada employees, representing various roles and locations across Canada participated in the conference. Air Canada's Executive Vice President, Chief Human Resources and Communications Officer also spoke on a panel that discussed solutions to increase the number of women in senior leadership.

We also took part in the Women in Transportation (WiT) Task Force workshop in Vancouver, British Columbia, an event organized by the Asia-Pacific Economic Cooperation (APEC) in collaboration with the U.S. Department of Transportation. The WiT Task Force seeks to create economic opportunities by fostering policies to advance women's employment in the transportation sector as well as improving their access and use of transportation systems.

To further encourage the next generation of women to pursue non-traditional careers in aviation, in 2019, we established the Captain Judy Cameron Scholarship. The scholarship is in honour of the airline's first female pilot. Applications are open to all women who are Canadian citizens who have been accepted, are enrolled, or are considering a post-secondary aviation flight program or aircraft repair and maintenance program. Air Canada has committed to awarding \$20,000 per year for the first three years of the scholarship.





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Women in Leadership

We are very proud of our female leaders, participating in missions, summits, workshops and more. In 2019, we participated in the first Canadian women-only trade mission to Japan. It was also the first Canadian gender-based mission to Asia led by the Asia Pacific Foundation of Canada. Including site visits, presentations, key stakeholder discussions and networking, the focus of this highly influential group of women was to create new business opportunities, expand Canada-Japan networks of female leaders and enhance understanding of Japan's unique business, culture and society.

Members of our Global Sales' Business Development team are also participating in the tenth annual G(irls)20 Summit in Japan. Launched in 2009 by the Clinton Global Initiative (CGI), the G(irls)20 seeks to turn ideas into action, placing young women at the centre of decision-making processes. The event focuses on leadership training, social enterprise development and mentoring by female leaders in the business and public sectors.

Air Canada has actively sponsored and partnered with organizations dedicated to the increase of participation and leadership of women in traditionally male-dominated fields. One example of this is our partnership with #MoveTheDial, a global movement to develop and encourage females in tech. In November 2019, #MoveTheDial, in partnership with Air Canada, held its global summit in Toronto, Ontario.

Air Canada also sponsored the Equal Voice's Daughter of the Vote 2019, which gives women the opportunity to become familiar with Canada's political institutions and to inspire them to participate and act in their local communities. In 2019, 338 young Canadian women participated in the four-day, multi-partisan program, taking the seats of their respective Members of Parliament in the House of Commons in Ottawa and engaged ministers, party leaders, critics and advocates, as they shared their visions for their communities in Canada.



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WE FLY THE FLAG

As a company that promotes diversity and is a proud standard-bearer of our Canadian heritage, we value our role in promoting Indigenous peoples and bilingualism in Canada.

We are also proud to promote Canadian art and gastronomy. One of the elements we take into consideration as we design our lounges is how we make the art relevant to the lounge location and our customers. The art we select for each location is one way we are able to connect the space to the city. We endeavor to work with reputable Canadian artists, giving them a platform to have their work seen and experienced by our premium customers.

In recent years, we made significant investments in our premium experience and have assembled a panel of celebrated Canadian chefs, including David Hawksworth, Antonio Park, Vikram Vij and sommelier Véronique Rivest.

Air Canada Cargo transported two exhibitions in 2019 for the Pointe-à-Callière Museum in Montreal – Into the Wonder Room & *À table!*



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Indigenous Peoples

We are honoured to salute and acknowledge the achievements and contributions of our Indigenous peoples in Canada. Through our internal diversity committees that support diversity initiatives, in 2019, Indigenous employees participated regularly in Indigenous career fairs and events across Canada to share their career path and provide insights into working at Air Canada. Apart from flying and working on board Air Canada's global fleet as pilots and flight attendants, Indigenous employees also hold various positions throughout the organization.

In our approach to diversity recruitment, we supported indigenous organizations, including Indspire, an Indigenous-led registered charity organization whose vision is to enrich Canada through Indigenous education and by inspiring achievement. Through this partnership, we offered 24 bursaries over the last three years (including in 2019) to young Indigenous people studying to become pilots or aerospace engineers.

In June, Air Canada marked National Indigenous Peoples Day by proudly highlighting the achievements and contributions of our Indigenous employees. Flight AC185 from Toronto to Vancouver was flown by an all-Indigenous crew of two pilots and nine flight attendants. The flight was also supported by Indigenous employees on the ground.



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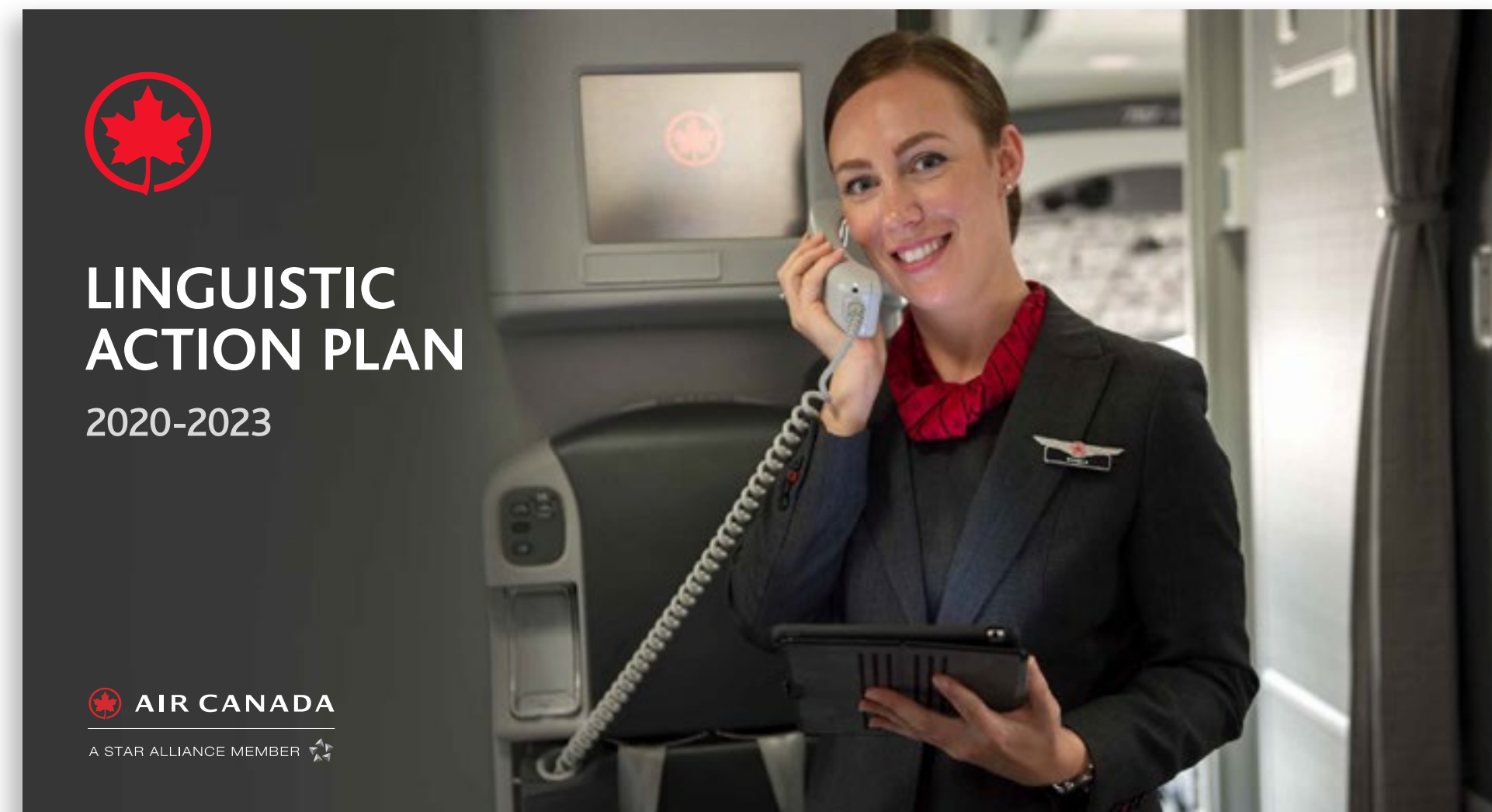
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Official Languages

Air Canada is Canada's largest private sector corporation offering bilingual services across Canada and globally. We are proud to offer services in both official languages, demonstrating true leadership among major Canadian companies in promoting bilingualism.

Over the years, we have implemented a series of sustained initiatives in our **Linguistic Action Plan**, to maintain delivery of the services we offer our customers in both official languages and promote a bilingual workplace. Here are some of the initiatives:

- New official languages policies and directives for employees;
- Web-based employee awareness and training modules;
- Raising awareness of official languages obligations during new employee orientation sessions;
- Important changes to the Collective Agreement signed with Unifor regarding the assignment of bilingual agents in airports; and
- Enhanced collaboration with official language minority communities on hiring new bilingual employees.





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Among our key achievements over recent years, Air Canada has continued to grow its support for French-speaking organizations to promote the *Francophonie* in a sustainable manner and to develop Francophone culture and the tourism industry. Our dedication to ensuring our presence in minority communities has contributed to the cultural and socio-economic development of French-language communities in Canada and earned us recognition throughout the country.

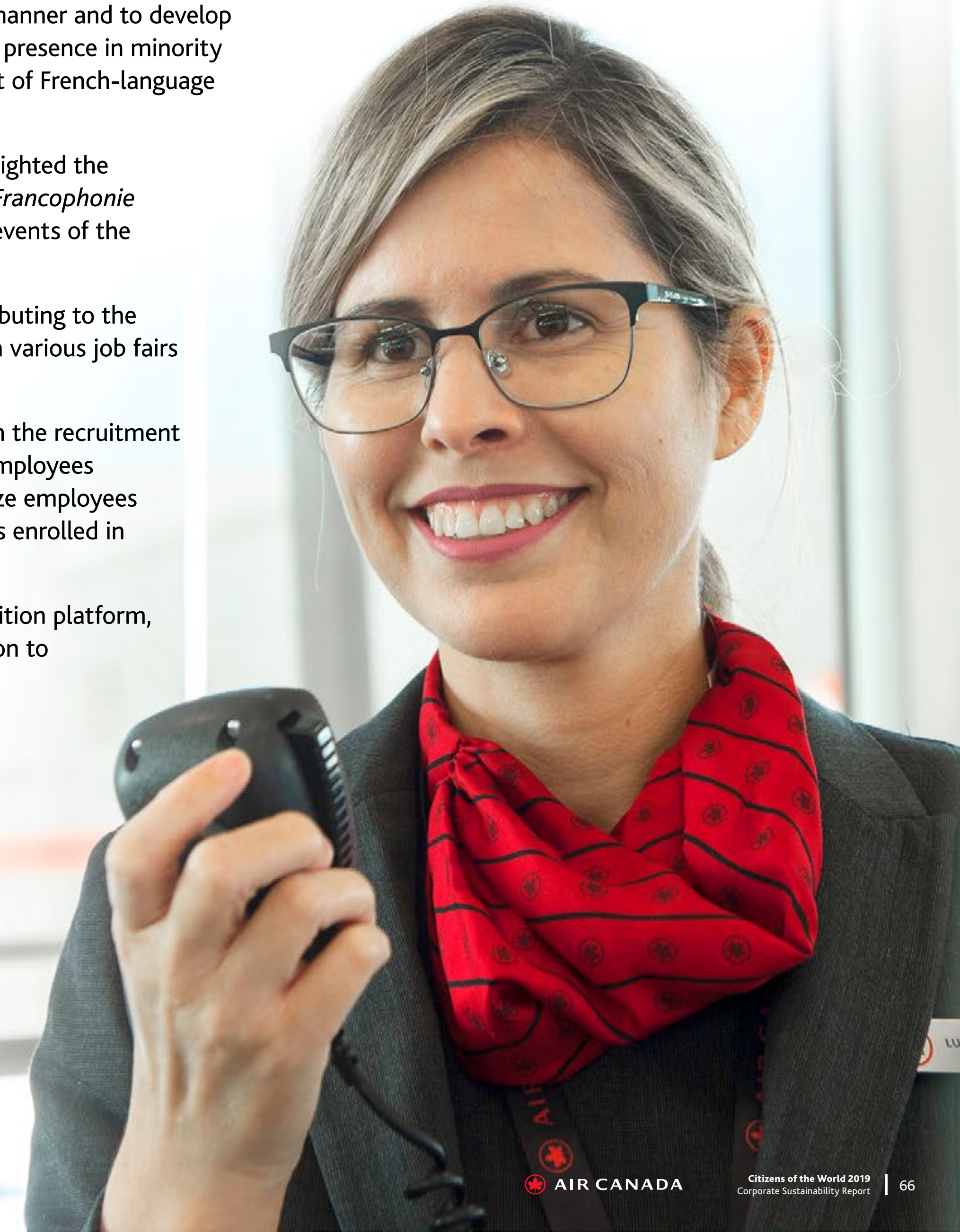
In 2019, Air Canada also supported several organizations and events that highlighted the 50th anniversary of the *Official Languages Act*, such as the *Rendez-vous de la Francophonie* and the *Winnipeg Festival du Voyageur*. We also supported organizations and events of the Anglophone community in Québec.

To support our continued focus on recruiting bilingual staff and thereby contributing to the socio-economic development of Francophone communities, we participated in various job fairs aimed at the *Francophonie*.

Based on equal qualifications, priority is always given to bilingual candidates in the recruitment of front-line employees. Each year, we invest in language training, offer new employees awareness sessions, and showcase our language training programs to familiarize employees with our active offering of bilingual services. In addition, over 2,400 employees enrolled in French courses in 2018 and over 2,500 enrolled in 2019.

We continued to promote the Dialogue Award on Air Canada's internal recognition platform, Shine. The Dialogue Award recognizes a colleague's commitment and dedication to serving our customers in both official languages, regardless of whether they themselves are bilingual.

We are proud of our commitment to serve customers in the official language of their choice and are encouraged by feedback from our customers stating the majority feel that we are continuously improving our bilingual service offering. In surveys conducted by Ipsos, Air Canada customers indicate that they are generally very satisfied with our ability to offer services in either English or French. On average for the period of 2015–2019, customers were generally satisfied with Air Canada's ability to serve them in the official language of their choice, attesting to our collective improvement efforts. In addition, most Francophone and Anglophone clients have noted that Air Canada has improved its bilingual services in recent years.





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We take great pride in connecting Canada and the world. In accepting that mission, we also recognize that we must do our part to minimize our environmental footprint. We make great efforts to integrate environmental considerations into all our business decisions.

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Our approach is two-fold: Leave Less through our operations: less carbon in our atmosphere, less waste in our land and water, and less noise in our communities; and Do more to address environmental issues: more collaboration and participation with our industry partners, more involvement in our communities and with our employees and customers to have an even greater impact in our efforts.





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A global challenge that does not respect national borders, climate change is an issue that requires international solutions and global coordination to help countries lower their carbon emissions. Commercial aviation produces approximately 2 per cent of total man-made carbon emissions.

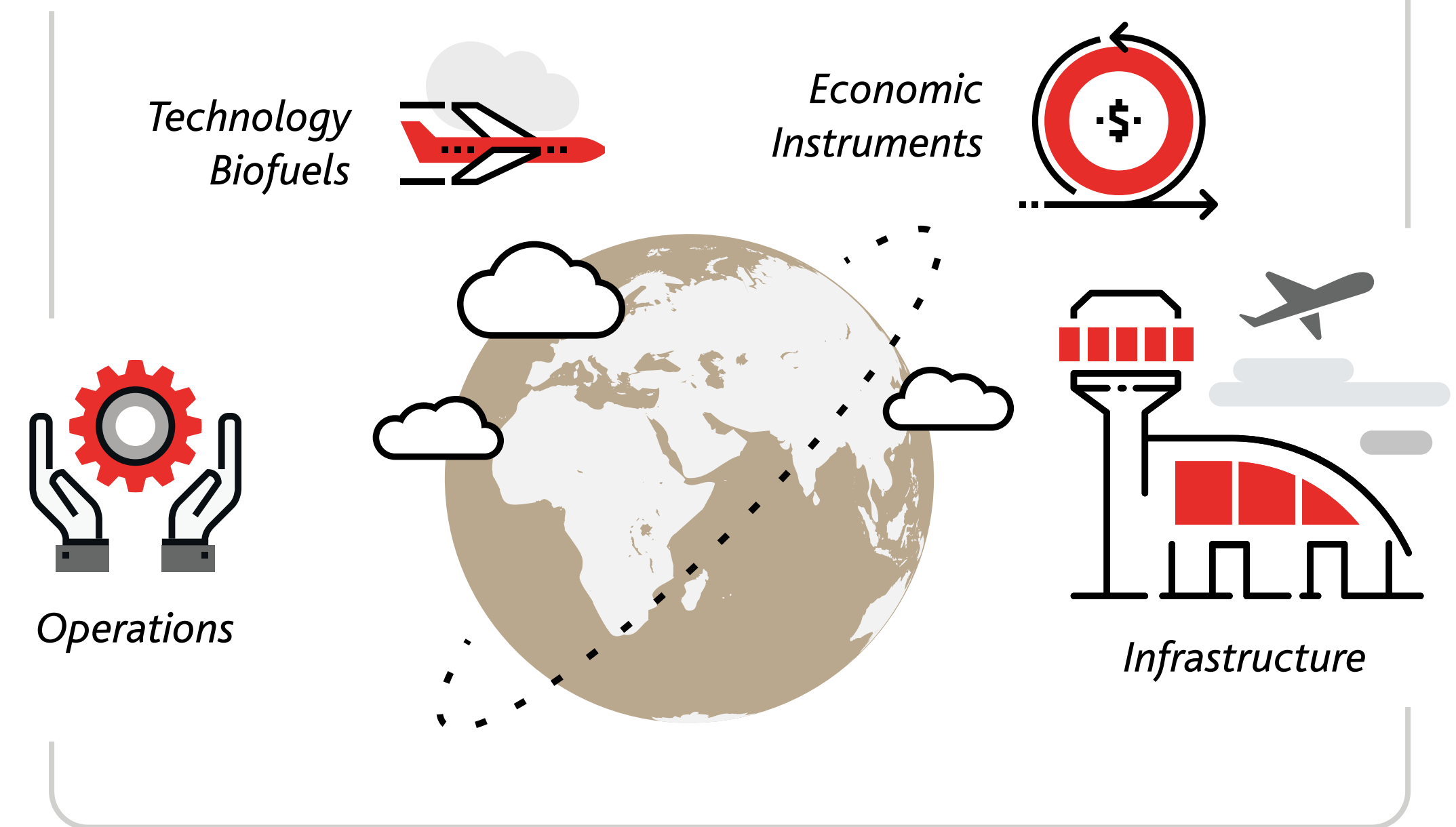
IATA's aviation industry climate action plan has set targets to mitigate CO₂ emissions from air transport:

- An average **improvement in fuel efficiency** of 1.5 per cent per year from 2009 to 2020
- A cap on net aviation CO₂ emissions from 2020 (**carbon-neutral growth**)
- A **reduction in net aviation CO₂ emissions of 50 per cent** by 2050, relative to 2005 levels

And IATA has adopted a 4-pillar approach to achieve this goal:

- More efficient aircraft operations
- Improved technology, including the deployment of sustainable (low carbon) aviation fuels
- Infrastructure improvements (including modernized air traffic management systems)
- Single Global Market-based measures to fill the remaining emissions gap

4 PILLARS for climate protection



We have subscribed to this industry approach. Here is how we, at Air Canada, are taking action >



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LESS ENERGY, LESS CARBON

Technology and Improvements

Using less fuel and energy can significantly minimize our environmental footprint. The most important factor in reducing greenhouse gas (GHG) emissions has been the continuous improvement in aircraft and engine efficiency.

At Air Canada, we implement a wide range of measures to reduce the fuel and energy consumption of our aircraft, ground support vehicles, and facilities.

We are proud to be building what will be one of the youngest and most fuel-efficient fleets among global carriers. Air Canada invests billions in state-of-the-art fuel-efficient aircraft and adopts innovative fleet-related modifications in both our wide- and narrow-body aircraft. Our new aircraft improve fuel efficiency and greatly reduce our CO₂ emissions.

In 2019, we took delivery of the last of 37 Boeing 787s previously ordered for our fleet. These aircraft, also known as Dreamliner, are the most modern commercial aircraft in operation and deliver an approximate 20 per cent improvement in fuel efficiency over the aircraft they replaced. Our narrow-body fleet renewal program is also accelerating with the first delivery, in late 2019, of the Airbus A220. These aircraft are expected to average 20 per cent less fuel consumption per seat and emit 20 per cent less CO₂ and 50 per cent less nitrogen oxide than the aircraft they replace. The Airbus A220 deliveries will extend to 2022.



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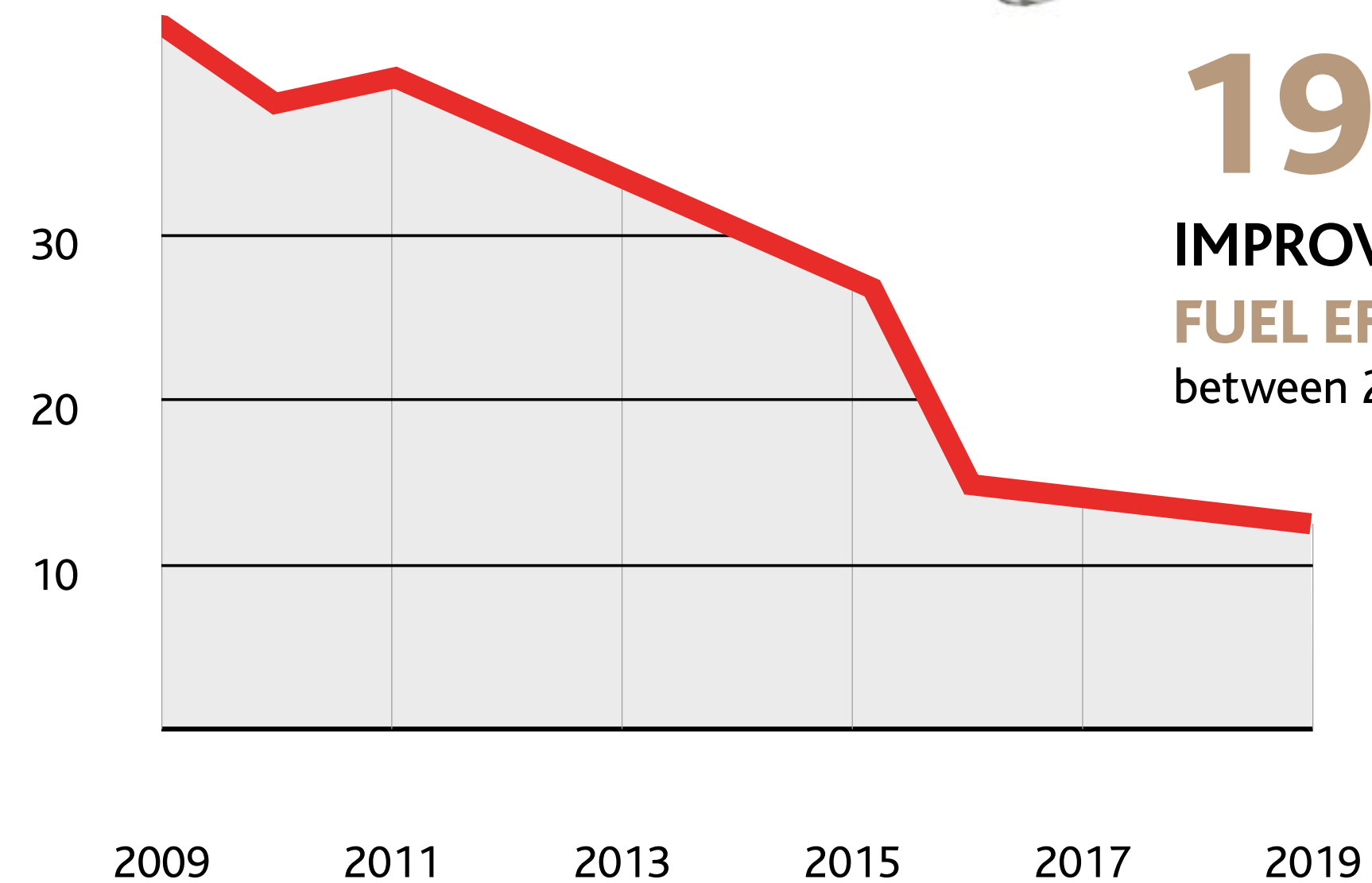
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Between 2009 and 2019, Air Canada has improved its fuel efficiency by 19 per cent. The Company is also well on target to meet the annual 1.5 per cent fuel efficiency improvement by end of 2020. The fuel efficiency for consolidated operations system wide (Air Canada, Air Canada Rouge and Air Canada Express carriers) was 32.53 L/100RTK, an average year-over-year improvement of 2.07 per cent since 2012. In 2019, our fuel efficiency did not reach our expectations, due to unplanned changes in fleet. The grounding of the Boeing 737 MAX had an important impact on our operations, and the way we flew our aircraft. It also meant that for most of 2019, some of our most fuel-efficient aircraft were grounded. To maintain our schedule, some aircraft flew different routes than those they were originally planned for and as a result, our fleet was not used to its maximum fuel-efficient capacity. In addition, less efficient aircraft were kept longer in our fleet, and less-efficient aircraft flew under third-party agreements to operate the schedule. Therefore, our GHG intensity, which is directly related to the amount of jet fuel consumed, was impacted by this fleet disruption.



Litres for every 100 Revenue Tonne Kilometres



19%
IMPROVEMENT IN FUEL EFFICIENCY
 between 2009 and 2019



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Sustainable Fuels

Alternative sources of fuel that have a lower life-cycle carbon footprint than today's jet fuels offer a potential solution to meeting increasing demand for air travel. Therefore, they are an important environmental focus for Air Canada. Over the past several years, Air Canada has participated in eight biofuel flights and actively supports the development of sustainable alternative fuels in Canada. Through the National Airline Council of Canada (NACC), we are engaged in fuel policy discussions on the treatment of jet fuel to develop supportive policies under Canada's Clean Fuel Standard and in 2019, we joined BC-SMART, a consortium comprised of refineries, government, the Vancouver Airport Authority, airlines, and other members. BC-SMART drives coalition building and information sharing to explore technology development and deployment (hardware) and policy tools (software) to encourage regional production and use of drop-in biofuels as a sustainable, affordable, and commercially viable solution for long-distance transport.¹



¹ <http://www.bc-smart.ca>



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Efficient Operations

Air Canada has a strong incentive to reduce weight on board its aircraft. Removing only one kilogram of weight fleetwide translates into a savings of 24,500 litres of fuel and 63 fewer tonnes of GHG emissions released over the course of a year. To reduce weight and increase our fuel efficiency, we have in place a fuel efficiency working group that looks at every opportunity to reduce fuel consumption. Since 2016, over 100 projects were achieved by this fuel working group and these have saved close 140,000 tCO₂e (or 30,000 passenger cars driven for one year¹!). The various initiatives put in place by the fuel working group range from operational improvement such as an optimized profile departure, RNP-AR (a type of performance-based navigation), single engine taxiing to aircraft weight reduction such as the use of lightweight crew luggage, iPads for pilots (replacement for paper manuals) and lighter weight composite onboard carts.

Since 2017, Air Canada's livery paint system uses the latest technology –Base Coat Clear Coat– designed to reduce our carbon footprint through significant weight and fuel savings. The paint system also features no chrome, lead or other heavy metals and is expected to last longer (approximately 11 years) when compared to standard paint (6-7 years). The new livery is also far less complex, producing less waste, among other benefits. With the aircraft retrofitted in 2019, we saved an additional 375 tCO₂e emissions.



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¹ Calculator from the US EPA Web site



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In 2019, we optimized the duty-free catalogue and the Air Canada *enRoute* magazine by using lighter paper without compromising the product quality.

This resulted in a savings of 553,972 kg of fuel (692,465 L) which means that we saved 1,788 tCO_{2e} or

the equivalent of 386 passenger cars

driven for one year!



We also reduced the number of newspapers we carry on flights. Air Canada continues to work on fuel contingency and management programs and has extended some of these to its regional carriers.

Although Air Canada's ground operations make up a small fraction of the Company's overall emissions, we look to adopt new technologies and innovative practices to reduce GHG emissions wherever feasible. One area of focus is the use of alternative energy in our fleet of ground support vehicles such as tractors. To date, 2,500 or 50 per cent of these vehicles are powered by alternative means like electricity and propane which, when combined, lower emissions by approximately 15 per cent compared to our use of conventional fuel. After successful testing of an electric conversion kit that uses the latest lithium-ion battery technology, we converted 62 of our previously fossil fuel powered ground support vehicles to lithium-ion powered. To date, we have introduced a total of 71 new lithium battery tractors. We are engaged with airport authorities at our largest Canadian hubs to expand the facilities to support alternative fuel charging stations in key areas of these airports. In addition to adopting lower-carbon alternatives, we also reduce emissions from our ground vehicles by using less fuel with operating GPS systems, such as iRamp, that assist our employees in ensuring the optimization of the running time of our vehicles.





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Market-Based Measures

Another way we work to reduce GHG emissions is by participating in industry efforts to adopt appropriate market-based measures which are interim measures put in place to help aviation manage the carbon emissions for which it is responsible, while new aircraft technology and sustainable aviation fuel production are readily available.

The International Civil Aviation Organization's Carbon Offsetting and Reduction Scheme for International Aviation (CORSA), adopted in 2016, includes emissions from international flights. In 2018, the *Canadian Aviation Regulations (CARs)* were amended to implement CORSA. The carbon offsetting obligations under the amended CARs are scheduled to become effective January 1, 2021. Air Canada, Air Canada Rouge and Air Canada's regional carriers have submitted emission monitoring plans to Transport Canada in compliance with the amended CARs. The measure is designed to complement the basket of mitigation measures that air transport is already pursuing to reduce CO₂ emissions from international aviation. It will be the first global carbon offset system for a single industry. Under CORSA, any growth in emissions beyond the baseline will be offset by the emitters (airlines) through the acquisition and remittance of carbon offsets or the use of sustainable aviation biofuels. Canada has committed to participate in CORSA, which will be voluntary from 2021 to 2026 and become mandatory for most countries beginning in 2027.

LESS NOISE IN OUR COMMUNITIES

Reducing the effect of noise to and from the airports we serve is a priority. We actively participate on noise committees with multiple stakeholders, including airport authorities, local government, air navigation service providers and other air carriers to improve noise conditions around airports. When investing in new aircraft, the noise impact is also considered, to ensure that we reduce the noise footprint as much as feasible. The vast majority of our aircraft achieve or surpass the Chapter 4 noise standards set by the International Civil Aviation Organization (ICAO), and the A220-300 will provide 75 per cent reduction in noise footprint compared to other aircraft in its category.

To further minimize noise, airports have developed noise abatement procedures that our flight crews comply with, and carefully manage operating hours during the night. Furthermore, as a result of technological improvements, aircraft produced today are 50 per cent quieter than they were 10 years ago and 75 per cent quieter than the first generation of jet aircraft (as reported by Aviation Benefits Beyond Borders).

As early as November of 2015, we have been operating narrow body Airbus aircraft with the FOPP Cavity Vortex Generator modification installed. Additionally, in 2018, we proactively initiated a program to add a noise-reducing device to the remainder of our A320 family aircraft that are scheduled to remain in our fleet beyond 2021. By the end of 2019, we completed the retrofit on 51 of 65 (78 per cent) aircraft that were scheduled to remain in our fleet.



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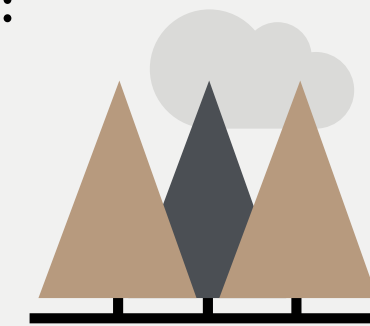
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DO MORE FOR CLIMATE CHANGE

Carbon offsets are measured in tonnes of CO₂-equivalents (or CO₂e)

We encourage our customers and employees to reduce the carbon emissions associated with their travel by packing light and offering a voluntary carbon offset program. In 2007, Air Canada was one of the first airlines to offer customers and employees the opportunity to purchase offsets for their flights, allowing them to fly carbon neutral. Our offset partner, Less Emissions, offers Gold Standard-certified- and VER+ Standard-certified-based offsets –the highest quality offsets available in Canada and abroad.

Since the beginning of the program, our customers have offset around 60,128 tonnes of carbon dioxide: **the equivalent of carbon sequestered by 78,500 acres of forests in one year!**



Indigenous Clean Energy (ICE) Gathering

In 2019, Air Canada sponsored the ICE Gathering in Ottawa, where more than 180 people representing nearly every region in Canada met and discussed ways in which communities could move towards cleaner energy. ICE aimed to provide the audience with the skills required to develop clean energy programs, generate revenue, and train youth in their communities. Various projects focused on solar-source energy, like the Fort Chipewyan solar project (the largest of its kind in Canada), and wind-sourced energy, among others. As the sponsor airline, we supported Indigenous capacity-building and collaboration efforts and strengthened our relationship with these communities. Air Canada representatives were also present to discuss Air Canada's commitment to Indigenous communities as well as ways in which we have reduced our carbon footprint.



A carbon offset is a distinct reduction in greenhouse gas achieved by one party that can be purchased and used to compensate (offset) the emissions of another party.



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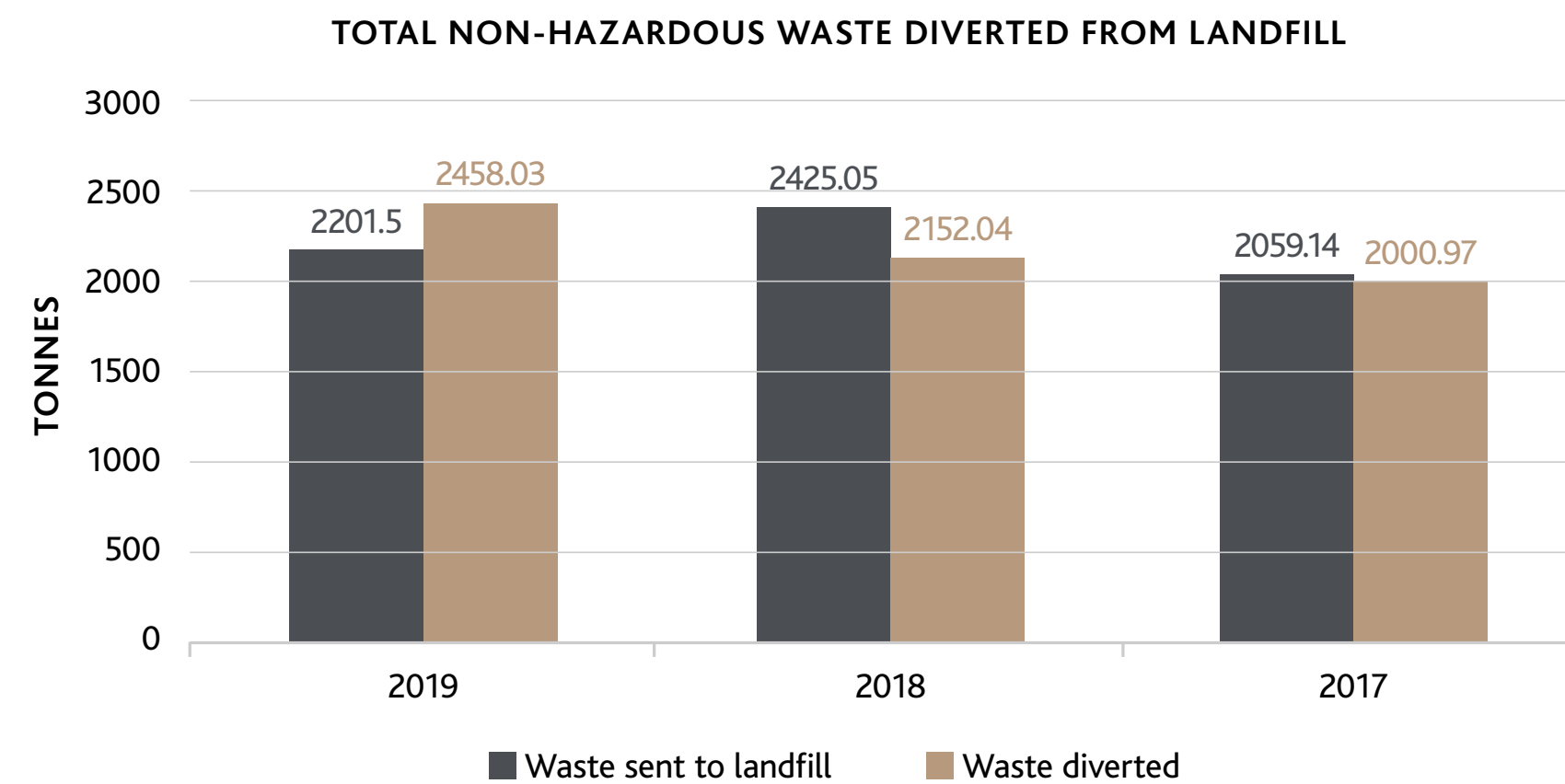
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In 2017, we began the implementation of the 2020 Corporate Waste Strategy. The focus of the strategy is to reduce the amount of waste we generate and send to landfill, through the following targets: (1) Reduction of 20 per cent waste in our offices, Maple Leaf Lounges, and other facilities and (2) Recycle 50 per cent of approved items on board domestic flights. We are well on our way to achieving our 2020 waste targets.



RECYCLING IN FACILITIES

In 2018, to help us achieve our goals, we implemented a centralized recycling pilot program in select areas at our Montreal headquarters and Vancouver Operations Centre. Larger receptacles in common areas were installed, deskside garbage bins were eliminated, and employees had access to recycle common items such as plastics, paper, and organics. By the end of 2019, the program was rolled out throughout our Montreal headquarters as well as our Vancouver, Calgary, Winnipeg, and certain Toronto offices. More offices are being reviewed for implementation in 2020. We also recycle wood, metal, and plastic film in our operational facilities.

We have also increased our recycling processes and implemented organic recycling in select Maple Leaf Lounges across Canada. Our 11 Canadian Maple Leaf Lounges recycle plastic, aluminum, glass, cardboard, paper, and magazines. In addition, 7 of the 11 participate in composting programs (in backend operations) and 5 of the 11 our Canadian Maple Leaf Lounges offer direct access to composting for passengers. Through these efforts, the target of 20 per cent reduction in waste sent to landfill was reached in the Maple Leaf Lounges in the original scope.

In 2019, we organized Waste Reduction Week, comprised of a variety of waste reduction activities across our Canadian office workplaces. To help minimize our single-use plastic use, a policy to no longer serve plastic straws and stir sticks was implemented in our cafeterias. In addition, throughout the week, we also posted specific challenges for employees to help reduce their waste footprint and we also purchased additional rotables in some facilities to minimize the use of single-use items in our cafeterias.





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RECYCLING ON BOARD

We continually work to increase recycling throughout our operations, both in our air and ground operations. For example, groomers collect materials from our aircraft – such as old issues of in-flight magazines and soap containers – and employees in our facilities recycle materials such as paper, cardboard, wood, glass, metal, and plastic, depending on what is recyclable in a particular municipality. Due to strict regulations enforced by the Canadian Food Inspection Agency, airlines are not permitted to recycle from international destinations due to the risk of contamination from foreign food and plant-borne vectors. We have been working closely with other airlines and stakeholder groups to gain a better understanding of the risks associated with international recycling.

As part of our 2020 Corporate Waste Strategy, we are committed to recycling 50 per cent of approved items on board our domestic flights by 2020. We have established recycling processes for domestic waste at eight of our nine major Canadian airports. In 2018, we began a pilot to recycle from domestic flights arriving at designated gates at our largest hub, Pearson International Airport (YYZ). The pilot program continued into 2019. The successful implementation of a recycling process at YYZ is estimated to divert up to ten tonnes of recyclable material a year from incineration.

Through these ongoing efforts, we achieved our 2020 recycling efficiency target in 2019!



Do more with the next generation

Since 2016, we have proudly offered our Sustainability Scholarship. The scholarship program is fully funded by our recycling initiatives and is open to children of full-time Air Canada employees who are registered in post-secondary institutions and are 30 years of age or younger. In 2019, Air Canada awarded 10 recipients with \$2,000 to be applied towards post-secondary studies throughout Sustainability Scholarship program.



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DO MORE TO UPCYCLE, REPURPOSE AND GIVE BACK

Clean the World Canada

We have been working with Clean the World Canada, a not-for-profit organization, to recycle and repurpose our amenity kits. In 2019, 50 boxes of unused items from open amenity kits were sent to Clean the World Canada.

Soap and Lotion Donation

In 2019, we donated surplus stock of our previous onboard soap and lotion to Brands for Canada. These products were then used in personal hygiene kits provided to participants in some of their employment readiness programs like Suitable Impressions. Suitable Impressions is a one-day, pre-employment program that offers knowledge and resources to job-seekers. The workshop includes key topic areas such as, appropriate work attire, body language, mindset, confidence-building, stress management and

financial literacy training. Participants are also outfitted with new work attire and receive a gift bag of personal care products. The personal care items are important to helping them feel prepared. The added benefit is that money that might have been spent on those items can go towards other essential items instead.

Duvets Project Green Materials Exchange Program

Through the Partners in Project Green's Material Exchange program, in 2019, Air Canada teamed up with the Syrian Canadian Foundation to distribute gently used business class duvets to several social service agencies that assist Syrian newcomers and other Canadians in need. Following dry-cleaning, most of our duvets are re-used on board, but those that have any wear and tear from service are removed for donation. From 2017 to 2019, 22.62 tonnes of duvets were donated to the Syrian Canadian Foundation.





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Uniforms

In 2017, we implemented a Uniform Recycling program, so that old uniforms were disposed of in a way that minimized the environmental impact while giving them a new lease on life.

Through this program, we work with several organizations that repurpose, recycle, or reuse our surplus and used uniforms. An example of this is our collaboration with the non-profit organization Brands for Canada.

Air Canada pilot uniforms were also given new purpose. This was done through Viking Recycling in Toronto, who transformed the uniforms into material used to stuff punching bags. These bags were then donated to community centres in the city. In addition to the repurposing of uniforms, cargo straps were given new life as fasteners for the punching bags.

To date, the uniform recycling program has allowed to divert roughly 284 tonnes of items from landfill, which is just under **the equivalent weight of two empty Boeing 787-9 Dreamliner!**



Screens Get New Home, Second Life

When we updated computer screen monitors for the Air Canada and Aeroplan Contact Centre across the network, we donated the previous monitors to Computers for Schools and ReBOOT Canada. With Computers for Schools, we have extended the useful life of electronic equipment, reduced the environmental impact of waste, and offered practical work internships to young Canadians to help them develop advanced digital skills for the job market. With ReBOOT Canada, we provided computer equipment, training and technical support to charities, non-profit organizations, and people with limited access to technology.



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#bonvoyageplastic

A key component of our Corporate Waste Strategy is our Single-Use Plastics Reduction program. This strategy focuses on minimizing our plastic use both on board and within our facilities.

Air Canada's plastic reduction efforts include researching and rethinking important decisions made at various stages of our supply chain with the goal of minimizing our single-use plastic use. A Plastic Reduction Committee continuously reviews our plastic inventory to determine which products to focus on and how to eliminate and replace them. In 2018, we identified options to eliminate, replace, or reduce our single-use plastic items on board and in 2019, we announced the removal of 35 million plastic items from service. We look forward to making more announcements moving forward. We supported this work in partnership with University of Toronto graduate students in the final year of their Master of Science in Sustainability Management program. The students worked with us to identify alternatives to plastic use onboard our aircraft.

In summer 2019, we replaced plastic with wood stir sticks in drinks served on all flights. The amount of plastic stir sticks removed would, if laid end-to-end join Halifax and Vancouver. The stir stick replacement is made of bamboo and is certified by the Forest Stewardship Council, which assures products come from responsible sources so that forests remain thriving environments for generations to come.

In fall 2019, we minimized the plastic used in our Air Canada Signature Class and Premium Economy amenity kits, moving from individual plastic packaging to a small plastic security tab. This change furthers our commitment to examining all single-use plastics on board and doing our best to find sustainable alternatives for them. Result: a total of 2 million plastic bags were removed. Finally, we removed 750,000 outer plastic bags and 450,000 outer plastic packing from our Skyrider kits.

On the ground, in 2019, a project was initiated to install water refill stations in operational work locations at Toronto-Pearson Airport, for our ground support equipment, maintenance, and cabin service employees. We are working to expand this initiative to other operational groups, to minimize use of single-use plastic water bottles.



38.2M
pieces of single-use plastic
REMOVED onboard in 2019



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Do More: For our Oceans

In 2019, we were proud to be the exclusive Canadian airline to partner with 4ocean, an organization on a mission to reduce pollution in oceans around the world and create jobs in the process. A major initiative of this partnership included two Air Canada-sponsored public clean-ups in North America. The first public clean-up took place in Clearwater, Florida, where more than 80 Air Canada employees were joined by over 1,100 volunteers to help clear the shoreline of plastic and debris. The second clean-up took place in Richmond, British Columbia with over 340 community and employee volunteers. The events were a great way for us to engage in local communities alongside our colleagues and neighbours. Employees were enthusiastically involved and provided positive feedback to encourage future partnerships with more organizations passionate about caring for our environment. Between the two clean-ups, nearly 28,000 items were removed including plastics cups, beach toys, Styrofoam® pieces, plastic bottles and caps, plastic bags, plastic cutlery, plastic straws and more...including a car bumper!



In December, the Vancouver Airport Authority selected Air Canada as the winner of the 2019 edition of the YVR Green Excellence award. The award celebrates environmental stewardship on Sea Island from 2016-2019. The YVR Air Canada team was recognized for a variety of green initiatives focused on water and energy conservation, waste minimization and our Richmond Ocean Shoreline Cleanup.



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