



Independent practitioner's limited assurance report on selected key performance indicator presented within Air Canada's 2021 TCFD report

To the Board of Directors and Management of Air Canada

We have undertaken a limited assurance engagement of the following selected key performance indicators as presented in Appendix A ("KPIs" or "subject matter information") and presented in Air Canada's 2021 TCFD Report for the year ended December 31, 2021.

Management's responsibility

Management is responsible for preparation of the subject matter information in accordance with the following criteria (the "applicable criteria"):

- The definition for selected KPIs is from the Global Reporting Initiative Standards (GRI); and
- The methodology outlined in the GHG Protocol: A Corporate Accounting and Reporting Standard Revised Edition.

Management is also responsible for such internal control as management determines necessary to enable the preparation of the subject matter that is free from material misstatement, whether due to fraud or error.

Our responsibility

Our responsibility is to express a limited assurance conclusion on the subject matter based on the evidence we have obtained. We conducted our limited assurance engagement in accordance with International Standard on Assurance Engagements 3000 (revised), Assurance Engagements other than Audits or Reviews of Historical Financial Information ('ISAE 3000 revised'), and International Standards on Assurance Engagements 3410, Assurance Engagements on Greenhouse Gas Statements ("ISAE 3410"), issued by the International Auditing and Assurance Standards Board. This standard requires that we plan and perform this engagement to obtain limited assurance about whether the subject matter is free from material misstatement.

A limited assurance engagement involves performing procedures (primarily consisting of making inquiries of management and others within the entity, as appropriate, and applying analytical procedures) and evaluating the evidence obtained. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the decisions of users of our report. The procedures are selected based on our professional judgment, which includes identifying areas where the risks of material misstatement, whether due to fraud or error, in preparing the subject matter in accordance with the applicable criteria are likely to arise.

PricewaterhouseCoopers LLP
PricewaterhouseCoopers Place, 250 Howe Street, Suite 1400, Vancouver, British Columbia, Canada V6C 3S7
T: +1 604 806 7000, F: +1 604 806 7806, www.pwc.com/ca

"PwC" refers to PricewaterhouseCoopers LLP, an Ontario limited liability partnership.



Our limited assurance procedures included, but were not limited to the following:

- Through inquiries, obtained an understanding of Air Canada's control environment and information systems relevant to the selected KPIs and emissions quantification and reporting. Our procedures did not evaluate the design of particular control activities, obtain evidence about their implementation or test their operating effectiveness;
- Analytical reviews and trend analysis of reported data for the selected KPIs;
- Evaluated whether Air Canada's methods for developing estimates are appropriate and had been consistently applied. However, our procedures did not include testing the data on which estimates are based or separately developing our own estimates against which to evaluate Air Canada's estimates;
- Tested a limited sample of items back to the underlying records for the selected KPIs; and
- Reviewed the selected KPIs disclosure in the TCFD Report to ensure consistency with the evidence obtained.

The procedures performed in a limited assurance engagement vary in nature and timing from, and are less in extent than for, a reasonable assurance engagement and, consequently, the level of assurance obtained is substantially lower than the assurance that would have been obtained had a reasonable assurance engagement been performed.

Our independence and quality control

We have complied with the relevant rules of professional conduct/code of ethics applicable to the practice of public accounting and related to assurance engagements, issued by various professional accounting bodies, which are founded on fundamental principles of integrity, objectivity, professional competence and due care, confidentiality and professional behaviour.

The firm applies Canadian Standard on Quality Control 1, *Quality Control for Firms that Perform Audits and Reviews of Financial Statements, and Other Assurance Engagements*, and, accordingly, maintains a comprehensive system of quality control, including documented policies and procedures regarding compliance with ethical requirements, professional standards and applicable legal and regulatory requirements.

Significant inherent limitations

Greenhouse Gas quantification is subject to inherent uncertainty because of incomplete scientific knowledge used to determine emissions factors and the values needed to combine emissions of different gases. The selection of different but acceptable measurement techniques can result in materially different measurements. The precision of different measurement techniques may also vary.

Conclusion

Based on the procedures we have performed and the evidence we have obtained, nothing has come to our attention that causes us to believe that Air Canada's selected KPIs presented within Air Canada's 2021 TCFD Report for the year ended December 31, 2021, is not prepared, in all material respects, in accordance with the applicable criteria.



Purpose of statement and restriction on distribution and use of our report

The selected subject matter has been prepared in accordance with the applicable criteria to assist Air Canada's management and the Board of Directors with reporting on the selected KPIs in accordance with the applicable criteria. As a result, the selected subject matter may not be suitable for another purpose. Our report is intended solely for Air Canada.

We acknowledge the disclosure of our report, in full only, by Air Canada at its discretion, to Air Canada management and the Board of Directors without assuming or accepting any responsibility or liability to Air Canada management and the Board of Directors or any other third party in respect of this report.

PricewaterhouseCoopers LLP

Chartered Professional Accountants

Vancouver, British Columbia
August 12, 2022



Appendix A: Selected key performance indicators and applicable criteria

| KPIs | Area | Boundaries | tCO2e | GRI Content Index Reference ⁽¹⁾ |
|-----------------------|-------------|--|-----------|--|
| Scope 1 GHG emissions | Environment | Air Canada, Air Canada Vacations, Aeroplan Inc., Air Canada Rouge | 4,913,258 | 305-1 |
| Scope 2 GHG emissions | | | 7,144 | 305-2 |

(1) Air Canada disclosed the basis of preparation of each of their selected Key Performance Indicators within the body of their Corporate Sustainability Report and within the GRI Content Index Tables. The tables indicated on figure refer the reader to where the definitions can be found.



Independent practitioner’s limited assurance report on selected key performance indicator presented within Air Canada’s 2021 Corporate Sustainability Report and the GRI Content Index Tables

To the Board of Directors and Management of Air Canada

We have undertaken a limited assurance engagement of the following selected key performance indicators as presented in Appendix A (“KPIs” or “subject matter”) presented in Air Canada’s 2021 Corporate Sustainability Report and the GRI Content Index Tables for the year ended December 31, 2021.

Management’s responsibility

Management is responsible for the preparation of the subject matter in accordance with the following criteria (the “applicable criteria”):

- The definition for selected KPIs is from the Global Reporting Initiative Standards (GRI);
- The methodology outlined in the GHG Protocol: A Corporate Accounting and Reporting Standard Revised Edition; and
- Management’s internally developed criteria referenced in above table for the selected Key Performance Indicator.

Management is also responsible for such internal control as management determines necessary to enable the preparation of the subject matter that is free from material misstatement, whether due to fraud or error.

Our responsibility

Our responsibility is to express a limited assurance conclusion on the subject matter based on the evidence we have obtained. We conducted our limited assurance engagement in accordance with International Standard on Assurance Engagement 3000 (revised), Assurance Engagements other than Audits or Reviews of Historical Financial Information (“ISAE 3000 revised”), and International Standards on Assurance Engagements 3410, Assurance Engagements on Greenhouse Gas Statements (“ISAE 3410”), issued by the International Auditing and Assurance Standards Board. This standard requires that we plan and perform this engagement to obtain limited assurance about whether the subject matter is free from material misstatement.

A limited assurance engagement involves performing procedures (primarily consisting of making inquiries of management and others within the entity, as appropriate, and applying analytical procedures) and evaluating the evidence obtained. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the decisions of users of our report. The procedures are selected based on our professional judgment, which includes identifying areas where the risks of material misstatement, whether due to fraud or error, in preparing the subject matter in accordance with the applicable criteria are likely to arise.

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T: +1 604 806 7000, F: +1 604 806 7806, www.pwc.com/ca



Our limited assurance procedures included, but were not limited to the following:

- Through inquiries, obtained an understanding of Air Canada's control environment and information systems relevant to the KPIs and emissions quantification and reporting. Our procedures did not evaluate the design of particular control activities, obtain evidence about their implementation or test their operating effectiveness;
- Analytical reviews and trend analysis of reported data for the KPIs;
- Evaluated whether Air Canada's methods for developing estimates are appropriate and had been consistently applied. However, our procedures did not include testing the data on which estimates are based or separately developing our own estimates against which to evaluate Air Canada's estimates;
- Tested a limited sample of items back to the underlying records for KPIs; and
- Reviewed the KPIs disclosure in the Corporate Sustainability Report and the GRI Content Index Tables to ensure consistency with the evidence obtained.

The procedures performed in a limited assurance engagement vary in nature and timing from, and are less in extent than for, a reasonable assurance engagement and, consequently, the level of assurance obtained is substantially lower than the assurance that would have been obtained had a reasonable assurance engagement been performed.

Our independence and quality control

We have complied with the relevant rules of professional conduct/code of ethics applicable to the practice of public accounting and related to assurance engagements, issued by various professional accounting bodies, which are founded on fundamental principles of integrity, objectivity, professional competence and due care, confidentiality and professional behaviour.

The firm applies Canadian Standard on Quality Control 1, *Quality Control for Firms that Perform Audits and Reviews of Financial Statements, and Other Assurance Engagements*, and, accordingly, maintains a comprehensive system of quality control, including documented policies and procedures regarding compliance with ethical requirements, professional standards and applicable legal and regulatory requirements.

Significant inherent limitations

Greenhouse Gas quantification is subject to inherent uncertainty because of incomplete scientific knowledge used to determine emissions factors and the values needed to combine emissions of different gases. The selection of different but acceptable measurement techniques can result in materially different measurements. The precision of different measurement techniques may also vary.

Non-financial data is subject to more inherent limitations than financial data, given both the nature and the methods used for the determining, calculating, sampling or estimating such data. Qualitative interpretations of relevance, materiality and the accuracy of data are subject to individual assumptions and judgments.



Conclusion

Based on the procedures we have performed and the evidence we have obtained, nothing has come to our attention that causes us to believe that the subject matter presented within the Air Canada's 2021 Corporate Sustainability Report and the GRI Content Index Tables for the year ended December 31, 2021, is not prepared, in all material respects, in accordance with the applicable criteria.

Purpose of statement and restriction on distribution and use of our report

The subject matter has been prepared in accordance with the applicable criteria to assist Air Canada management and the Board of Directors with reporting on the KPIs in accordance with the applicable criteria. As a result, the subject matter may not be suitable for another purpose. Our report is intended solely for Air Canada.

We acknowledge the disclosure of our report, in full only, by Air Canada at its discretion, to Air Canada management and the Board of Directors without assuming or accepting any responsibility or liability to Air Canada management and the Board of Directors or any other third party in respect of this report.

PricewaterhouseCoopers LLP

Chartered Professional Accountants

Vancouver, British Columbia
August 12, 2022



Appendix A: Selected key performance indicators and applicable criteria

| KPIs | Area | Boundaries | 2021 values | GRI Content Index Reference ⁽¹⁾ |
|--|-------------------|--|------------------------------|--|
| Total injuries | Health and safety | Air Canada and Air Canada Rouge (pilots) | 3,530 | 403-9 and management's internally developed criteria as disclosed in the report. |
| Total lost time injuries | | | 869 | |
| Total lost time injury days | | | 50,970 | |
| Total injuries | | Air Canada Rouge (no pilot) | 24 | |
| Total lost time injuries | | | 21 | |
| Total lost time injury days | | | 2,017 | |
| Energy consumption | Environment | Air Canada, Air Canada Vacations, Aeroplan Inc. Air Canada Rouge | 71,755,671 GJ | 302-1 |
| Direct GHG emissions Scope 1 | | | 4,913,258 tCO ₂ e | 305-1 |
| Indirect GHG emissions Scope 2 | | | 7,144 tCO ₂ e | 305-2 |
| Complaints received in 2021 from outside parties and substantiated by the organization | Privacy | Air Canada, Air Canada Rouge, Air Canada Express flights | 4 | 418-1 |

(1) Air Canada disclosed the basis of preparation of each of their selected Key Performance Indicators within the body of their Corporate Sustainability Report and within the GRI Content Index Tables. The tables indicated on figure refer the reader to where the definitions can be found.