



July 23, 2021

Modern Slavery and Human Trafficking Statement¹

President and Chief Executive Officer's statement

Air Canada is committed to act with integrity in all its business dealings, to comply with all applicable laws and to act responsibly when dealing with its employees, customers, and suppliers and when interacting with communities. Recognizing the suffering modern slavery and human trafficking cause, we have zero tolerance for any form of slavery or human trafficking in our operations and supply chain. As a global airline, we recognize that 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.

We maintain our unwavering commitment to our core value — Safety First, Always — a consistent, fundamental pillar of our sustainability and future. Our engagement to mitigating the risk of slavery and human trafficking is an integral part of this lasting commitment.

Our organization

Air Canada is Canada's largest domestic and international airline, and in 2019 was among the top 20 largest airlines in the world. It is Canada's flag carrier and a founding member of Star Alliance, the world's most comprehensive air transportation network. Air Canada is the only international network carrier in North America to receive a Four-Star ranking according to independent U.K. research firm Skytrax. In 2020, Air Canada was named Global Traveler's Best Airline in North America for the second straight year. In January 2021, Air Canada received APEX's Diamond Status Certification for the Air Canada CleanCare+ biosafety program for managing COVID-19, the only airline in Canada to attain the highest APEX ranking. Air Canada has also committed to a net zero emissions goal from all global operations by 2050.

¹ This statement is made pursuant to the Modern Slavery Act 2015 (UK) and the Australian Modern Slavery Act 2018 and sets out the steps Air Canada (the "Company" or "we") has taken to ensure that slavery and human trafficking are not taking place in any part of our business or supply chains.

As one of the leading commercial airlines in the world, we always work to the highest professional standards and comply with all laws, regulations and standards relevant to our business. Sustainability is an intrinsic part of our culture and we aim to make a lasting and positive impact on our stakeholders, including on the communities in which we live and work.

We expect nothing less than the same from our suppliers and business partners.

Addressing Human Trafficking Risk

Our Company is committed to ensuring our suppliers do not include anyone who engages in human trafficking or any form of slavery. Many of our existing policies contain provisions which target or contribute to mitigating the risk of slavery and human trafficking taking place in any part of our global business or supply chain.

Our relevant policies include:

- *Corporate Policy and Guidelines on Business Conduct*, better known as the (employee) Code of Conduct.

Among other things, the Code addresses compliance with laws, human rights, privacy, violence prevention, discrimination and harassment, fair dealing with other people and organizations and reporting violations of the code. The Code also includes guidance on how individuals 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.

- *Recruitment Policy*
- *Duty to Accommodate Policy*
- *Employment Equity Policy*
- *Workplace Violence and Harassment Prevention Policy*
- *Remuneration and other employment standards and guidelines*
- *Safety Policy*
- *Safety and Security Reporting Policy*
- *Victim of a Crime – Reference Document*
- *Public Disclosure Policy*
- *Supplier Code of Conduct*

These policies are monitored regularly by their owners, working closely with all relevant departments within the Company, including Legal, Compliance, Human Resources, Health and Safety, Operations, Information Technology and Procurement.

What we are doing

Respect for human rights is one of the Company's fundamental values. Through our actions and policies, we are committed to maintaining a work 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 also expect them to avoid causing or contributing to any human rights infringements through their own 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. To that end, we have taken the following steps:

- We have a Supplier Code of Conduct ("SCC") which forms an integral part of Air Canada's material supplier contracts. The SCC is principle based and sets out our expectations of suppliers to ensure their behaviour aligns with Air Canada standards in the following key areas:
 - Business integrity
 - Responsible business practices
 - Responsible treatment of individuals
 - Respect for the environment

The SCC includes provisions relating to forced labour, child labour, non-discrimination and human rights, safe and healthy employment conditions and ethical behaviour.

We are committed to working in partnership with our suppliers to help ensure adherence to the SCC. Suppliers may be asked periodically to confirm in writing that they meet our expectations as set out in it. Certain audit rights are also available.

- We carry out due diligence in respect of our suppliers, including identifying legal or other risks or concerns, and to getting visibility on the relevant recruiting and employment practices. Our risk assessment includes a human trafficking risk component.

In particular, the screening process reports on Special Interest Persons (SIP) located in the US, Canada and Asia and on any reported topics of people and human organs trafficking. With respect to employment practices and child or workforce rights issues, our process includes searches for adverse media on discrimination against workers, clients, prospects or other entities, child labour, forced labour and discrimination.

- We and our affiliate, Touram Limited Partnership (doing business under the brand name Air Canada Vacations®), seek to ensure that its partner hotels support our zero-tolerance policy with respect to the sexual exploitation of children, and that their business practices do not compromise this policy in any manner.
- We assess risks related to human trafficking and forced labour associated with our operations and supply chain in relation to new routes and at new destinations.
- All Air Canada and Air Canada Rouge flight attendants are trained on modern slavery and human trafficking awareness and how to recognize and report suspicious behavior. We are planning to expand this form of awareness training to more customer facing agents in Canada and abroad.

We continue to work closely with the Air Canada Foundation, whose initiatives in these respects are aligned with our own:

- In 2021, the Air Canada Foundation donated airline tickets to the Joy Smith Foundation to safely transport human trafficking survivors back home. The Joy Smith Foundation's mission is to ensure that every Canadian is safe from manipulation or the abuse of power designed to lure and exploit them into the sex trade or forced labour.
- Every year since 2017, the Air Canada Foundation has donated funds to the Missing Children's Network to support SHINE, a program for preventing sexual exploitation of Quebec youth. The purpose of the program is to educate about 10,000 youths, on an annual basis, about sexual exploitation, the dangers that runaways face and how to protect themselves and find help.
- The Air Canada Foundation also donates airline tickets yearly to The Stormont Dundas Glengarry/Ahkwesahsne Children's Treatment Centre in support of their fundraising initiatives. The Children's Treatment Centre is committed to the prevention and treatment of child abuse. Their program and services include assessment and counseling services: 1) for children ages 5 to 18 who have been physically and/or sexually abused; 2) for

adolescents, ages 12 to 17 who have committed sexual offences against young children; and 3) for children ages 5 to 11 who are sexually reactive or sexually aggressive towards same age peers.

Approval

This statement has been approved by the Board of Directors of Air Canada.

A handwritten signature in black ink, appearing to read "Michael Rousseau". The signature is fluid and cursive, with a long horizontal stroke extending to the right.

Michael Rousseau
President and Chief Executive Officer