

Modern slavery, forced labour and human trafficking report | 2024



 **AIR CANADA**

A STAR ALLIANCE MEMBER 



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This report has been prepared by reference to the provisions of the *Fighting Against Forced Labour and Child Labour in Supply Chains Act* (Canada) (the Act), which applies to entities such as Canadian producers and importers of goods. Air Canada has elected to report on its practices using the framework provided by this legislation although its principal activities involve providing services rather than goods and that it has only minor dealings in the activities covered by the Act. The report also constitutes a statement under section 54 of the United Kingdom *Modern Slavery Act 2015* and section 14 of the Australian *Modern Slavery Act 2018*.

Statement

Air Canada does not tolerate any form of slavery, child labour, forced labour, human trafficking or sexual exploitation of minors, whether in our operations or supply chain. Air Canada is committed to complying with laws relevant to its business and to acting with care, integrity and responsibility in its dealings with employees, customers, suppliers and communities. As one of the world's leading commercial airlines, we are committed to taking action and implementing appropriate measures to mitigate the risk of modern slavery, child labour, forced labour, human trafficking and the sexual exploitation of minors in our operations and supply chain, either directly or through our suppliers. We are proud of the positive contributions we can make as a global airline. We also maintain, with the support of our executive leadership, an unwavering commitment to human rights, which aligns with our core value of Safety First, Always.



Our organization

Air Canada is the largest provider of scheduled passenger services in the Canadian market, the Canada-U.S. transborder market and in the international market to and from Canada. We aim to share the best of Canada at home, and around the world.

Air Canada is a founding member of the Star Alliance® network. Through the 25-member airline network, Air Canada offers its customers access to a wide global network, as well as reciprocal participation in frequent flyer programs, a seamless travel experience and improved customer service, including the use of airport lounges and other common airport facilities. Air Canada's Aeroplan program is Canada's premier travel loyalty program. Aeroplan allows individuals to enrol as members and accumulate points through travel on Air Canada and select partners, as well as through the purchase of products and services from participating partners and suppliers. Air Canada Cargo, a division of Air Canada, offers global cargo services on passenger flights and on dedicated Boeing 767 freighter aircraft. Air Canada Vacations is a leading Canadian tour operator, developing, marketing and distributing vacation travel packages in the outbound leisure travel market (Caribbean, Mexico, U.S., Europe, Central and South America, South Pacific, Australia, Asia) and the inbound leisure travel market to destinations within Canada, and offering cruise packages in North America, Europe and the Caribbean. Air Canada Rouge is Air Canada's leisure carrier



Human rights

Respect for human rights is a fundamental value at Air Canada that is reflected throughout our policies, procedures and activities, which are reviewed on a regular basis. We recognize the inherent worth of every individual, and we strive to create an inclusive, equitable and diverse work environment where all people are treated with fairness and respect. Discrimination, prejudice, harassment or violence in any form is not tolerated. Air Canada upholds human rights in its relationships with employees, customers, suppliers and other business partners, and we expect them to share our commitment and avoid causing or contributing to any human rights infringements. We are committed to working with suppliers and business partners that do not engage in human trafficking, child labour, forced labour, sexual exploitation of minors or any form of slavery. We recognize our responsibility to ensure proper measures are implemented to mitigate the risk of modern slavery, child labour, forced labour, human trafficking and the sexual exploitation of minors in our operations. Since 2019, Air Canada has been a signatory to the United Nations Global Compact (UNGC), which encourages all businesses to adopt sustainable and socially responsible practices.

Governance

Air Canada has a working group in place to ensure that anti-slavery, forced labour, sexual exploitation and human trafficking actions are coordinated and implemented in the most effective way possible. The working group meets on a regular basis and has representatives from all key branches, such as Human Resources, Strategic Procurement, Safety, Compliance and Corporate Sustainability. It shapes our actions to mitigate risk in our supply chain and operations and tracks progress on our related initiatives such as training, employee awareness, incident reporting and supplier assessment. The Governance and Nominating Committee of Air Canada's Board of Directors reviews and recommends this annual report to the Board. In addition, all Board committees perform their activities in consideration of the matters discussed in this report.

Structure, supply chain and activities

Air Canada works with 7,800 local, regional, national and international suppliers. Several branches within Air Canada are charged with managing supplier relationships. Air Canada's Strategic Procurement group, whose purview includes fuel purchases, accounts for most of Air Canada's sourcing activities.

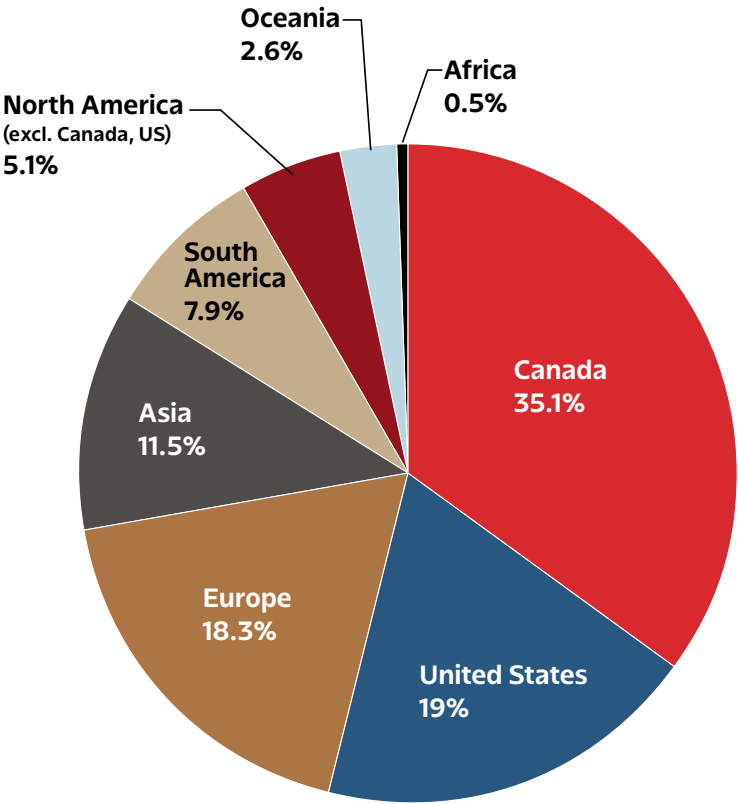
The main categories of goods and services required for Air Canada's activities relate to aircraft operations, aircraft maintenance, onboard goods and catering, in-flight services, crew services, airport operations, real estate and information technology.

Mapping supply chain

Air Canada continued to enhance its posture to assess its supply chains against modern slavery risks. Sectors that are determined to present greater risks have tailored oversight plans.



Supplier geographic location



Preventing and reducing risks

In 2024, Air Canada undertook the following steps to prevent modern slavery, human trafficking, forced labour and child labour:

- Developed and delivered a mandatory training on modern slavery, including forced labour, child labour and human trafficking, and their impact on Air Canada’s supply chain and reviewed the requirements of the Act for management employees in Strategic Procurement and Corporate Real Estate.
- Updated and enhanced our procedures for reporting suspected in-flight and airport incidents.
- Continued to perform due diligence of potential suppliers before entering into contracts
- Advanced the tracking of suspected cases of human trafficking in our operations.

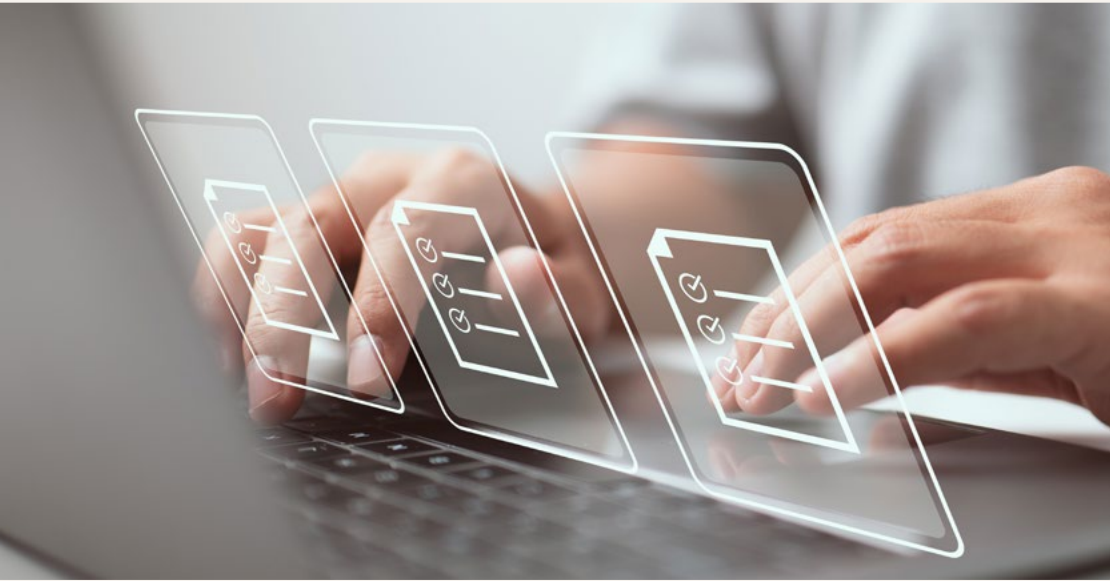


Due diligence process

We strive to take appropriate measures to protect and promote human rights for our employees and our customers, while also mitigating the risk of modern slavery and human trafficking in our operations, either directly or through our suppliers and community partnerships. Before launching new routes, we evaluate potential risks, including human rights considerations. We recognize the risk of human traffickers exploiting our services and we work closely with law enforcement agencies globally to help investigate and identify suspected human traffickers and protect victims of human trafficking.

In addition, we have a reputational risk assessment process to assess suppliers prior to contracting. To that end, we have taken the following steps:

- We use external tools for third-party risk analytics and reports.
- We screen both current and potential suppliers to assess if they have been the subject of adverse media such as in relation to human rights violations, including discrimination against workers, clients, child labour, and forced labour.
- The screening process reports on Special Interest Persons (SIP) and on any reported topics of people and human organ trafficking.



POLICIES

We have policies designed to address and mitigate the risk of modern slavery including human trafficking, sexual exploitation of minors and forced labour in any part of our global business or supply chain. Our relevant policies include:

Anti-Human Trafficking and Modern Slavery Policy

The Anti-Human Trafficking and Modern Slavery Policy, adopted in 2024, outlines our process to help identify, report and mitigate risks in our flights, operations and global supply chain. Air Canada nurtures a culture that does not tolerate any modern slavery, child labour, forced labour or human trafficking. Awareness is at the core of this policy, and training, supply chain diligence and collaboration with law enforcement agencies are key components.

The Air Canada Code of conduct



In 2024, Air Canada updated its employee Code of conduct (Code). The Code is brought to the attention of all employees and reinforces our culture of integrity across our operations. The Code embodies Air Canada’s commitment to ethical business practices and sets out expectations on workplace behaviours and on how we do business.

All directors of Air Canada and members of management are required to complete an annual acknowledgment and take reasonable measures to ensure the employees under their supervision comply with the Code. All new employees are required to complete a training module and acknowledgement. Training offered also contributes to ensuring ethical reflexes remain sharp and at pace with our ever-changing world.

The Code highlights the importance of human rights, including our commitment to combatting modern slavery, human trafficking and all forms of child exploitation by mitigating risks throughout our operations and global supply chain.

The Code addresses, among other things, respect and dignity, compliance with laws, violence prevention, health and safety and harassment. The Code is available on our website at www.aircanada.com and at www.sedarplus.ca.

Air Canada employees are required to report any illegal acts and report actual or potential misconduct or violations under the Code. In this regard, the Code includes guidance on how to report, including through our confidential and anonymous telephone and online ethics reporting service. Anyone, worldwide, can report concerns about any wrongdoings. We also have reporting lines dedicated to safety issues. Breaches of the Code may result in disciplinary action. On a quarterly basis, the Board’s Audit, Finance and Risk Committee receives an account of reports logged and investigated.

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Supplier Code of Conduct (SCC)

The Supplier Code of Conduct (SCC) is a component of our responsible sourcing strategy for products and services. It serves to extend our culture of integrity to our supply chain and sets the expectations required from our direct suppliers and from our suppliers’ supply chain. This principles-based code is aligned with our core values and sets out our expectations of suppliers to ensure their behaviour meets Air Canada standards in key areas, such as business integrity, responsible business practices and responsible treatment of individuals. The SCC includes provisions on human rights, health and safety matters and ethical behaviours. We also state our expectation that suppliers do not engage in any form of child or forced labour, human trafficking or any form of exploitation, including sexual exploitation. Remedial action may include termination of the relationship. Our anonymous ethics reporting service is also available to members of the supply chain to communicate any concerns.

Procurement Policy

Our Procurement Policy takes a disciplined approach to the procurement of goods and services. We aim to obtain the best value possible from our suppliers while mitigating risks. We also consider environmental, social, governance and economic factors when conducting procurement activities. The policy provides guidance on choosing the right partners and how we ensure that our suppliers meet our standards through due diligence screening and reputational assessments. We believe growth and prosperity do not have to come at the expense of sustainability.

Other policies contribute to mitigating the risk of any form of exploitation including our Workplace Violence and Harassment Prevention Policy, Remuneration and other employment standards and guidelines, Safety Policy and Safety and Security Reporting Policy. Policies are updated periodically for accuracy and relevance to changing conditions.



Our people

Air Canada’s success and sustainability is dependent on how well it serves, engages and connects with its customers, how well it contributes to its communities and how it attracts, engages, trains, retains and motivates its employees. As of December 31, 2024, Air Canada’s workforce was comprised of over 41,000 employees based around the world. Most employees are based in Canada, with significant employee groups in the U.S., U.K. and Germany. Our human resources recruiting processes are robust, and the risk of forced labour or child labour among our personnel is extremely unlikely.

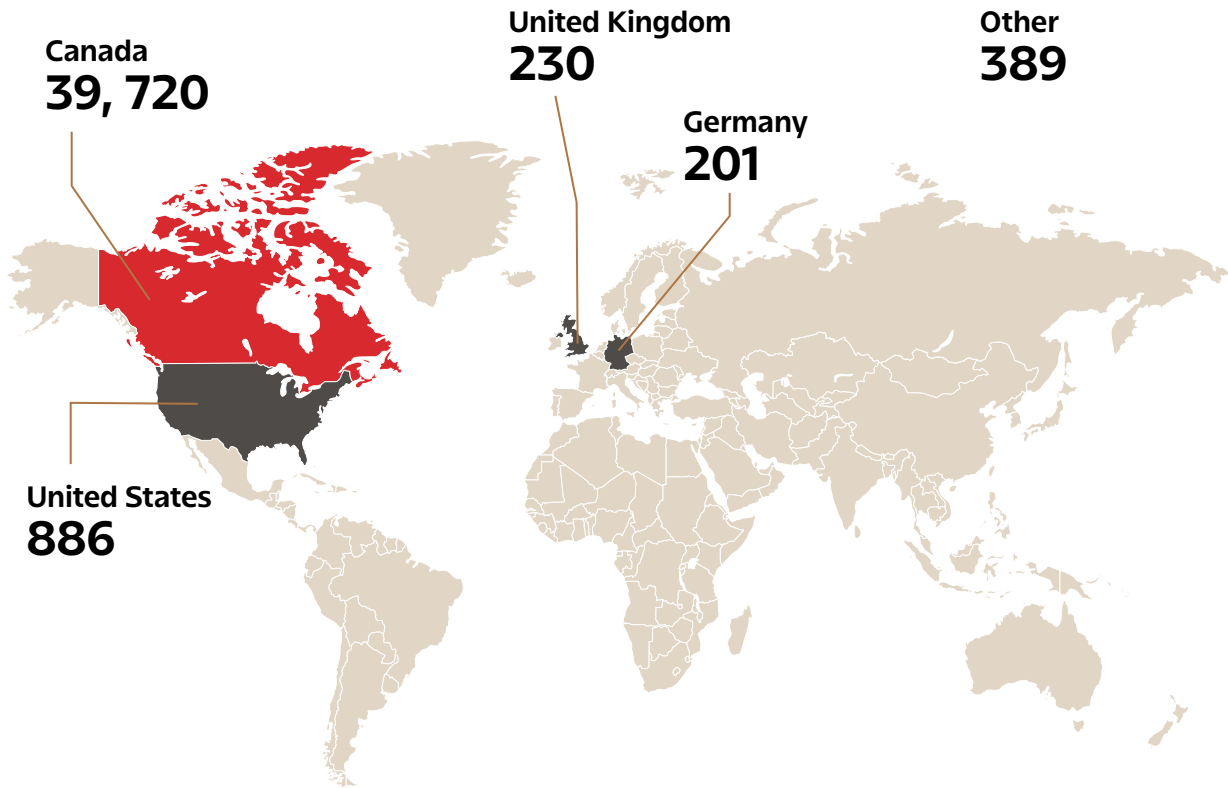
We value having a representative and inclusive workplace as supported by our policies. We continue to invest in employees’ growth and development to best serve our customers. Air Canada employee programs leverage the latest tools in technology and pedagogy to optimize engagement and effectiveness, and support employee skill development and knowledge sharing.

We also recognize our personnel’s right to freedom of association. Within our business, about 84 per cent of the active workforce is covered by a collective agreement, which contributes to excluding the risk of forced labour or child labour.

Newly recruited employees benefit from strong, extensive initial training programs to introduce them to and cultivate Air Canada’s priorities and values. Air Canada offers tools for individuals to report situations that could represent a contravention of the law, human rights abuses or harassments in our operations. These mechanisms include our anonymous ethics reporting service, as previously described, and the Human Rights and Harassment Office (HRHO). The Board’s Human Resources, Compensation and Pension Committee also receives an account of complaints received and investigated by the Human Rights and Harassment Office.

Our Board of Directors and the Board’s Human Resources, Compensation and Pension Committee have oversight of our human resource policies.

Base locations of Air Canada employees



Safety first, always

Our central value is Safety First, Always, which is at the foundation of our culture. The core consideration in all we do, the safety of our customers, employees and those in communities where we fly and serve is always our top priority. Safety management is a critical responsibility and affects virtually every operational decision Air Canada makes. We support and promote effective employee training and reinforce and promote safety reporting. Additionally, we continue to engage with aviation organizations and authorities around the world to promote safety and to share best safety practices.

The Operations Safety Board (OSB) meets quarterly and provides oversight and reporting on all safety and security matters including human trafficking. Human trafficking reporting processes, procedures and occurrence details are reviewed to ensure continuous improvement and accountability. The OSB is comprised of senior representatives from all key branches, such as safety, compliance, flight operations, maintenance, customer experience, corporate real estate, and international operations.



Awareness, prevention and training

Air Canada’s training programs are vital to equipping employees with the knowledge and tools to recognize and respond to potential instances of modern slavery, forced labour and human trafficking. These training programs include:

- For Air Canada and Air Canada Rouge flight attendants: modern slavery and human trafficking awareness and how to recognize and report suspicious behaviour at the airport and on our flights. This recurrent mandatory annual training includes relevant updates in relation to modern slavery and human trafficking, such as:
 - Defining and understanding the differences between human trafficking and human smuggling.
 - Recognizing indicators of human trafficking to assess and identify a possible trafficking situation, including the appropriate follow-up actions (on duty or outside of work).
 - Providing appropriate contacts and information on reporting procedures for human trafficking in Canada either as a witness, a survivor or an anonymous reporter.
 - Offering resources to help human trafficking survivors access victim services.
- For Air Canada U.S. and Canada based airport agents: a mandatory training on modern slavery, forced labour and human trafficking was developed in 2024 and is being launched in 2025, reflecting Air Canada’s ongoing commitment to addressing these issues. The training covers recognizing signs of modern slavery, forced labour and human trafficking and step-by-step protocols for various stages of travel, highlighting the sensitivities in handling such situations.

We continually consider other opportunities to communicate awareness regarding modern slavery, forced labour and human trafficking.



Remediation measures

No remediation measures were required in 2024.

Any reports of suspected incidents by our in-flight crews or customers are reviewed and investigated, as required. If incidents within our activities or supply chains are identified, we will implement the required remediation measures.



Assessment of effectiveness

As part of its ongoing commitment, Air Canada monitors the effectiveness of processes and procedures it has implemented to address human trafficking, modern slavery and forced labour risks. This is achieved through the tracking of indicators such as the number of potential human trafficking cases reported in our operations and the number of employees trained on modern slavery, human trafficking and forced labour topics.

We will continue to assess the effectiveness of our processes for identifying and managing risks. We will adapt and strengthen our actions to continually improve our response.



Continuous improvements

We are currently working on several initiatives aimed at further mitigating the risk of modern slavery and human trafficking, including:

- Refining key performance indicators to ensure they remain relevant and suited to our activities, including tracking the number of employees trained on human trafficking.
- Enhancing general consumer awareness with messaging that will be included in Air Canada's in-flight entertainment systems in 2025.
- Strengthening general employee awareness and understanding of human trafficking risks, protocols and procedures with a mandatory training for all Air Canada airport agents in Canada and the U.S.
- Elevating effective due diligence processes. Air Canada intends to leverage EcoVadis, a third-party sustainability intelligence platform, to identify supply chain risks, including modern slavery and human rights issues.
- Assessing in greater detail human trafficking risks in Air Canada's international airport activities.



Air Canada Foundation

Established in 2012, the Air Canada Foundation provides financial or fundraising support to Canadian-registered charities focused on the health and well-being of children and youth in need. The Foundation also works to support human trafficking survivors through its protection pillar. Its initiatives are aligned with and support Air Canada's efforts to mitigate the risk and alleviate the impact of modern slavery and human trafficking:

Since 2022, the Air Canada Foundation supports the Joy Smith Foundation to safely transport human trafficking survivors back home. Since 2023, an annual grant is provided for intervention programming for victims of human trafficking. Once a survivor has been safely moved out of harm's way through transportation to safety provided by Air Canada, intervention programming is implemented to help them navigate their path of healing and reintegration into their community. Programming for each survivor is individualized, based on their unique circumstances. The Joy Smith Foundation's mission is to ensure that every Canadian is safe from manipulation or the abuse of power that is designed to lure and exploit them into the sex trade or forced labour.

Since 2017, the Air Canada Foundation donates funds to the Missing Children's Network to support SHINE, a program for preventing sexual exploitation of Quebec youth. The program educates around 10,000 youth annually about sexual exploitation, the dangers that runaways face and how to protect themselves and find help.

In 2024, the Air Canada Foundation donated airline tickets to support #NotInMyCity (Buckspring Foundation), a charitable organization whose mission is to prevent, disrupt and end exploitation and human trafficking by raising awareness, advancing preventative strategies and mobilizing communities.





Conclusion

Air Canada remains committed to continuous improvements in its trainings, processes and methods for assessing risks and monitoring efforts. The evolving nature of modern slavery and human trafficking mandates ongoing vigilance. We will continue to assess the risks in our business, operations and supply chain, as well as develop and improve our approach to confronting modern slavery, child labour, forced labour, the sexual exploitation of minors and human trafficking.

In accordance with the requirements of the Act, and in particular section 11 thereof, I attest in my capacity of director and officer of Air Canada that I have reviewed the information contained in the report for the entity or entities listed above. Based on my knowledge, and having exercised reasonable diligence, I attest that the information in the report is true, accurate and complete in all material respects for the purposes of the Act, and to the extent that it is applicable to our activities, for the 2024 reporting year. I make the above attestation in my capacity as a member of the Board of Directors of Air Canada for and on behalf of its Board of Directors that has approved this report. I have the authority to bind Air Canada.

Michael Rousseau

Director and President and Chief Executive Officer of Air Canada

May 9, 2025