


# 2023 Modern Slavery, Forced Labour and Human Trafficking Report



 **AIR CANADA**

A STAR ALLIANCE MEMBER 

## **3** Introduction

Statement  
Our organization

## **7** Our people

## **8** Safety first, always

## **9** Awareness, prevention and training

Remediation measures

Assessment of effectiveness

Continuous improvements

Community support

Air Canada Foundation

## **10** Conclusion



## Introduction

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 chosen to share its practices using the reporting framework provided by this important new legislation even if 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

**We do not tolerate any form of slavery, child labour, forced labour or human trafficking in our operations and supply chain. Air Canada is committed to complying with laws relevant to its business and to acting with care, integrity and responsibility when it deals with its employees, customers and suppliers and when it interacts with communities. As one of the world's leading commercial airlines, we always work to high standards and are making ongoing enhancements.**

**We are committed to taking action and implementing appropriate measures to mitigate the risk of modern slavery, child labour, forced labour and human trafficking in our operations, 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 most senior leadership, an unwavering commitment to human rights, which ties back to our core value of Safety First, Always. This commitment to safety is fundamental to our sustainability and our future as an airline.**

## 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. Our mission is connecting Canada and the world.

Air Canada is a founding member of the Star Alliance® network. Through the 26-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. Members can redeem Aeroplan points for a variety of travel, merchandise, gift cards and other rewards provided directly by participating partners or made available through Aeroplan's suppliers. Aeroplan Elite Status recognizes Air Canada's frequent flyers, as well as Aeroplan's most engaged members, with a range of priority travel services and membership benefits.

Air Canada Cargo, a division of Air Canada, is a global cargo service provider, offering 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 and 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. 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 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 and human trafficking 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 and Anti-Human Trafficking and Slavery Working Group

Air Canada has a working group to ensure that anti-slavery, forced labour and human trafficking actions are co-ordinated 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 social responsibility. It shapes our actions to mitigate risk in its supply chain and operations and tracks progress on its related initiatives such as training, employee awareness, incident reporting and supplier assessment.

The Board of Director's (Board) Governance and Nominating Committee reviews and recommends this annual report to the Board. In addition, all committees of the Board have an obligation to perform their activities having regard to environmental, social and governance (ESG) considerations.



### Structure, supply chain and activities

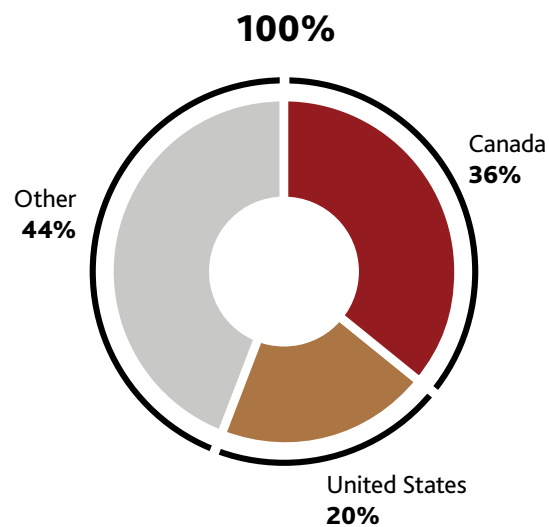
Air Canada works with more than 7,400 local, regional, national and international suppliers. In 2023, we spent about C\$ 6.6 billion on products and services from Canadian suppliers alone, excluding fleet transactions. Our total supplier spend was about C\$10.9 billion, also excluding fleet transactions. Several departments within Air Canada are charged with managing supplier relationships. Air Canada's Strategic Procurement branch, whose purview also includes fuel purchases, accounts for most of Air Canada's sourcing activities.

The main categories of goods and services required for Air Canada's operations 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

In 2023, Air Canada enhanced its supply chain mapping exercise to gauge the levels of modern slavery risk from suppliers and help us better identify supplier risks. Sectors that are determined to present greater risks have tailored oversight plans.

Supplier Geographic Location



## Preventing and reducing the risk of forced labour or child labour

In 2023, Air Canada took the following steps to prevent and reduce the risk of forced labour or child labour:

- Developed a new Anti-Human Trafficking and Modern Slavery Policy
- Updated and enhanced our reporting procedures for suspected in-flight and airport incidents.
- Performed due diligence of potential suppliers before entering contracts.



## Due diligence process for modern slavery and human trafficking

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 service providers and community partnerships.

A due diligence process is performed to assess potential risks, including, as required, human rights considerations prior to launching new routes. We recognize the risk of our services being exploited by human traffickers and, as such, we work closely with law enforcement agencies globally to help investigate and identify suspected human traffickers and protect victims of human trafficking.

We have, as provided in our procurement policy, a reputational assessment process to assess our 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 potential suppliers to help assess if they are the subject of adverse media:
  - The screening process reports on Special Interest Persons (SIP) and on any reported topics of people and human organ 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.

## Policies

Our policies contain provisions that target or contribute to mitigating the risk of slavery and human trafficking in any part of our global business or supply chain.

Our relevant policies include:

- Anti-Human Trafficking and Modern Slavery Policy
  - A new Anti-Human Trafficking and Modern Slavery Policy was developed in 2023 and adopted in 2024. It outlines our steps to help identify, report and mitigate risks in our flights, operations and global supply chain. Raising awareness is at the core of this policy that further enhances a culture that does not tolerate modern slavery, child labour, forced labour and human trafficking. Training, supply chain diligence and collaboration with law enforcement agencies are key pillars of this policy.
- Corporate Policy and Guidelines on Business Conduct (Code)
  - Air Canada has a [Corporate Policy and Guidelines on Business Conduct](#), which is reviewed annually by the Board. The Code applies to all directors, officers and employees of Air Canada and reinforces our culture of integrity across our operations. It addresses, among other things, respect and dignity, compliance with laws, violence prevention, health and safety, harassment, as well as human rights. The Code is available on our website at [www.aircanada.com](http://www.aircanada.com) and at [www.sedarplus.ca](http://www.sedarplus.ca).
  - The Code is brought to the attention of all employees of Air Canada. In addition, all directors of Air Canada and members of management are required to complete an annual acknowledgment and take all reasonable measures to ensure that the employees under their supervision comply with the Code. Training also contributes to ensuring ethical reflexes remain sharp and at pace with our ever-changing world.
  - Employees are required to report any illegal acts and report actual or potential misconduct or violations under the Code, which also provides guidance on how to report, including through our confidential and anonymous telephone and online independent third-party reporting system. 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.

## 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. In 2023, Air Canada grew to about 39,000 employees. We value having a diverse 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.

Our human resources recruiting processes are robust and the risk of forced labour or child labour among our personnel is extremely unlikely. We also recognize our personnel's right to freedom of association. Within our business, about 85 per cent of the active workforce is covered by a collective agreement, that contributes to excluding the risk of forced labour or child labour. Our Board of Directors and the Board's Human Resources, Compensation and Pension Committee have oversight of the application of our human resource policies.

Newly recruited employees benefit from strong, extensive initial training programs to initiate them into Air Canada's 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 independent third-party anonymous ethics reporting system as previously described and the Human Rights and Harassment Office (HRHO). The Human Resources, Compensation and Pension Committee of the Board is also presented an account of complaints received and investigated by the Human Rights and Harassment Office.

Every three years (or more often as required), Air Canada reviews and updates the Workplace Harassment and Violence Prevention Policy and corresponding training.



- 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 suppliers and their vendors. 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, modern slavery or human trafficking. Remedial action may include termination of the relationship. Our independent third-party reporting system is also available to members of the supply chain to communicate any concerns.
- Procurement Policy
  - In 2023, we updated our Procurement Policy, which takes a disciplined approach to procuring 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 explains how we choose suppliers and how we ensure that they meet our standards through due diligence screening and reputational assessments. We believe that growth and prosperity do not have to come at the expense of sustainability.

Other policies also 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.

## Safety first, always

At the heart of our culture is our number one central value: Safety First, Always. 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 other aviation organizations and authorities around the world to promote safety and to share best safety practices.





# Community support

## 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. We continue to work closely with the Air Canada Foundation that also works to support human trafficking survivors through its protection pillar. The Foundation's initiatives are aligned with and support our 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. In 2023, increased support was provided in the form of a grant to provide 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.
- 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 program educates around 12,500 youth annually about sexual exploitation, the dangers that runaways face and how to protect themselves and find help.

## Awareness, prevention and training

All Air Canada and Air Canada Rouge flight attendants are trained on modern slavery and human trafficking awareness and on how to recognize and report suspicious behaviour. Their recurrent annual training includes any relevant updates in relation to modern slavery and human trafficking.

Human trafficking training includes:

- 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).
- Contacts and information on reporting procedures for human trafficking in Canada either as a witness, a survivor or an anonymous reporter.
- Resources available to help human trafficking survivors access victim services.

We will also review other opportunities to communicate awareness regarding modern slavery, forced labour and human trafficking.

## Remediation measures

No remediation measures were required in 2023. 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 introduced certain measures in 2023 aimed at reducing the risk that forced labour or child labour may be used in our activities and our supply chains as described above. We are refining our plans to assess the effectiveness of these measures.

## Continuous improvements

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

- Offering comprehensive training sessions for employees involved in the procurement process to educate them on modern slavery practices and prevention.
- Providing training on human trafficking for customer facing roles at the airport to recognize and report suspicious behaviour.
- Enhancing general employee awareness and understanding of modern slavery issues, indicators and impacts on supply chains.
- Refining KPIs to ensure they remain relevant and suited to our activities.

## Conclusion

Air Canada remains committed to continuous improvements in our trainings, processes, 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 and human trafficking. This report has been approved by the Board of Directors of Air Canada.

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, for the 2023 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. I have the authority to bind Air Canada.



**Michael Rousseau**

Director and President and Chief Executive Officer  
of Air Canada

May 2024

Contact us at [sustainability.developpement\\_durable@aircanada.ca](mailto:sustainability.developpement_durable@aircanada.ca) with any comments, queries or suggestions regarding our report. We welcome a dialogue with individuals who are interested in the topic.



A STAR ALLIANCE MEMBER 