

flair Oairlines



Making affordable air travel possible for all - to Canada, in Canada, from Canada

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# Providing affordable & reliable travel for all

I am thrilled to introduce our inaugural Environmental, Social, and Governance (ESG) report as we embark on a journey toward a more sustainable future in aviation. As Canada's sole ultra-low cost carrier, our commitment to providing affordable travel for all Canadians has always been at the forefront of our mission. I am proud to say that our dedication to sustainability has always been an integral part of that mission.

At our core, responsible operations and fuel-efficient flying are not just aspirations, but essential pillars of our identity. We've made significant strides in aligning our sustainability strategy with our overarching goal of delivering unparalleled value to our stakeholders. From advancing our fleet and supply chains to embracing innovative technologies, we're driving efficiency across all facets of our operations.

Our journey towards sustainability isn't just about meeting regulatory requirements; it's about pioneering change and setting a new standard for the aviation industry. We're continuously exploring new flight and ground initiatives that not only reduce emissions, but also safeguard our environment and prioritize the wellbeing of our passengers and the communities we serve.

As we look to the future, we see endless opportunities to push the boundaries of what's possible in aviation.

Our commitment to sustainability isn't just a box to check—it's a relentless pursuit of innovation and progress. We're excited to embrace the challenges and opportunities that lie ahead, knowing that each step we take brings us closer to a more sustainable, responsible, and exciting future of flight.



#### **OUR ESG FOCUS**

- Building value for people and for the planet through sustainable travel initiatives
- Embedding sustainability into all aspects of our business
- Embracing agility to drive change and impact across the aviation industry



LEADERSHIP LETTER 05

#### A message from Flair's Senior Sustainability Manager, Amanda Mesluk

At Flair, our vision is clear: to be Canada's Ultra-Low Cost Carrier (ULCC), while making a meaningful difference in the world. We're not content with merely existing in the aviation industry; we're here to revolutionize it, putting people and the planet at the forefront of everything we do.

The very essence of being a ULCC drives us to minimize our environmental footprint and constantly strive for improvement. We see sustainability not as an obligation, but as an opportunity to push the boundaries of what's possible.

In 2023, we demonstrated our unwavering commitment to sustainability by placing our sustainability team under direct leadership from the CEO—a testament to its importance within Flair's DNA. As we charge forward into 2024, our focus remains steadfast: to expand and enhance our sustainability efforts, while empowering our customers to make informed choices about their carbon footprint; a greener, more responsible aviation industry.

Our dedication to sustainability starts with data—it's the bedrock of our strategy. By leveraging the latest technology and digitized reporting, we're optimizing our operations and driving down our impact on the environment. But we're not stopping there; we're extending our commitment to sustainability throughout our supply chain, encouraging our partners to set their own ambitious targets aligned with our shared values.

Together, with our customers, partners, and stakeholders, we're shaping a future where sustainability isn't just a goal; it's a way of life. We're excited about the journey ahead and invite you to join us as we pave the way for a greener, more responsible aviation industry.



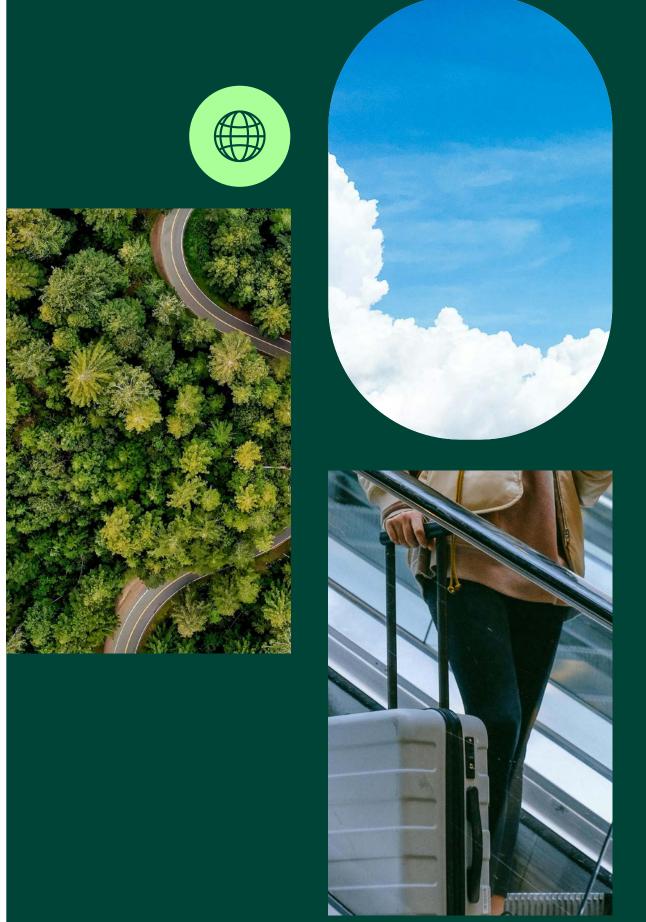
# About

### Flair Values

#### **CREATING VALUE FOR CANADIAN TRAVELLERS**

At Flair, our mission guides everything we do. We're here to make affordable and sustainable air travel possible for all - in Canada, to Canada, from Canada.

As a business, our actions prioritize the wellbeing of our people and communities. We acknowledge our responsibility to minimize the environmental footprint of our operations and are dedicated to reducing our impact on the ground and in the air across all facets of our business.











#### flair mission

# to make affordable air travel possible for all—in canada, to canada, from canada.

#### flair values

Put our people first.

Our customers matter: we fight for them.

Think big. Do the work. Low cost always wins.

#### with flair

Lead as a Flair teammate.

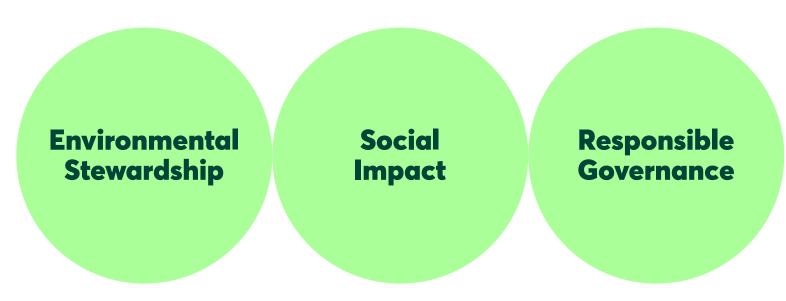
Maintain diverse relationships. Deliver with impact.

ABOUT 09

#### **ABOUT THIS REPORT**

Flair is investing in the communities we live, work, and fly in. Each year, we will share the journey of our environmental and social impact in an annual report, publishing data, progress, learnings, and stories.

# Our report focuses on three impact area



Flair's 2023 Sustainability Report reflects our work during the 2023 fiscal year (January 1-December 31, 2023). This year's report was prepared in reference to the Sustainable Development Goals (SDGs), with guidance from the Sustainability Accounting Standards Board (SASB) and the Task Force for Climate-Related Financial Disclosures (TCFD).

In line with TCFD recommendations, we conduct climate-related risk and opportunity assessments to help us take the right measures to strengthen our company's resilience.

We report key performance indicators (KPI) and disclose emissions based on the Greenhouse Gas (GHG) Protocol, updating our GHG emissions inventory as we increase the accuracy of our data.

Our environmental metrics and methodology is in line with industry applications\*. In 2023, an external accounting firm provided advisory over our environmental performance use data.

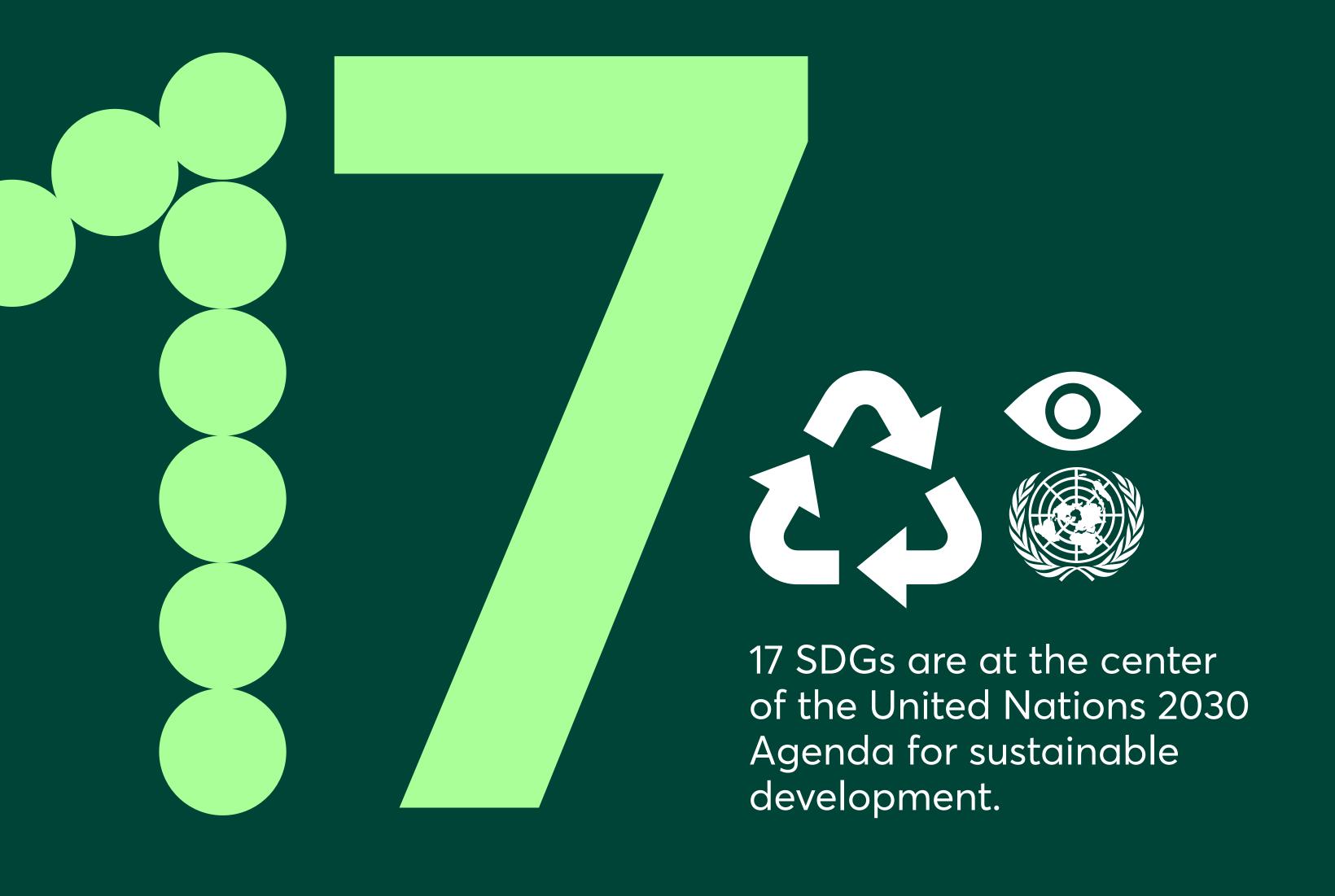
<sup>\*</sup>C0<sub>2</sub> emissions calculator per IATA and ICAO methodology and Scope 1 GHG emissions in accordance with the methodology and guidelines described in the GHG Protocol, A Corporate Accounting and Reporting Standard, Revised Edition Source of the emissions factors used, National Inventory Report 1990-2021 Greenhouse has sources and sinks in Canada.

# Our sustainability vision

To provide affordable travel to Canadians, while protecting people and the environment.

As a ULCC, fleet efficiency and minimizing emissions are paramount. We also prioritize community impact, technology investment, ESG advocacy and purpose-led leadership.

The Sustainable Development Goals (SDGs) are a global framework for sustainability action. 12 of the SDGs are referenced and worked on within the four priorities of Flair's sustainability guidelines.



**OUR SUSTAINABILITY APPROACH** 11

# Sustainability guidelines

Efficiency, transparency, and responsibility

**Impact Area** 



#### **Priorities Areas**

- 1. Carbon emissions performance
- 3. Renewable energy
- 3. Operational efficiency

4. Sustainable aviation fuel

Commitment

We mitigate greenhouse gases (GHGs) by operating our fleet as efficiently and safely as possible. Flair is reducing Scope I, II and III GHG emissions, including emissions from flights, ground handling, operations and offices.

SDG's





- 1. Sustainable sourcing & procurement
- 2. Water conservation
- 3. Air quality
- 4. Waste
- 5. Biodiversity matters
- 6. Carbon offsets

We engage in sustainable strategies that promote environmental stewardship in flying both locally and globally.



- 1. Human rights
- 2. Indigenous development
- 3. Transparency & reporting
- 4. Partnership for better connected industry
- 5. Board oversight & responsibility

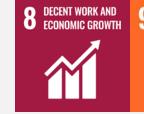
We ensure environmental, social, and governance risks are evaluated, and that controls are in place to protect the planet and wellbeing.



- 1. Health & safety
- 2. Diversity, equity, & inclusion
- 3. Community engagement, & impact
- 4. Talent nurturing
- 5. Customer value

We take care of our customers and empower our employees to care for our people and our communities.













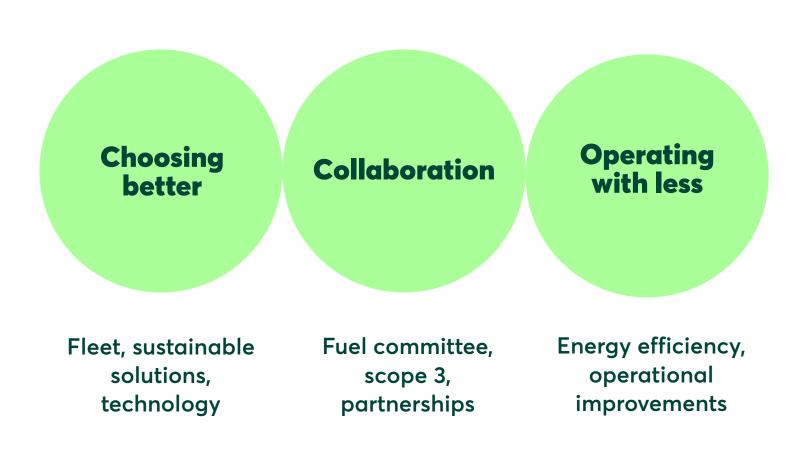
# How we operate: ultra-low carbon

#### **REDUCING OUR EMISSIONS**

Flair measures and tracks our emissions, implements strategies to reduce emissions, and encourages transparency about aviation's carbon footprint.

Since 2020, Flair has been reporting to Transport
Canada for the ICAO Carbon Offsetting and Reduction
Scheme for International Aviation (CORSIA) on applicable
international flights, with the goal of achieving the carbon
neutral growth targets of the aviation industry.







# how is a flair flight a greener flight?

We are one of North America's most carbon efficient airlines, operating one of the youngest Boeing 737 fleets.



Pilot mapping technology

Single engine taxiing

3. 737 MAX use rate

Sustainable cups,cutlery andon-board recycling(YYC)

Turn optimization

2023

#### **CARBON EMISSIONS PERFORMANCE**

Not only does Flair offer the lowest fares, but we also aim for the lowest  $CO_2$  emissions per passenger/km among Canadian airlines. In 2023, our average  $CO_2$  release was 64g per passenger/km. **Choosing a Flair flight avoids as much CO\_2e as 3,226<sup>†</sup> trees absorb in one day.** We are now the first airline to report monthly  $CO_2$  emissions, urging the industry to follow suit. This transparency empowers travellers to consider emissions impact when choosing an airline to fly with.

Our GHG metric is driven by fleet optimization, ground fuel reduction, flight-path efficiency, and passenger load factors.

Average CO<sub>2</sub> released



HOW WE OPERATE

# Flair Airlines leads the industry with the lowest emissions. We advocate for transparency and encourage all airlines to report monthly emissions.

#### **INDUSTRY COMPARISON**

Global airlines commonly use an industry-recognized carbon intensity metric, which is disclosed in GHG intensity disclosures and sustainability reports on corporate websites.

To facilitate comparability and trend analysis, a third party compiled similar carbon intensity metrics reported by other airlines  $CO_2$  emission models. Canadian travellers can assess the impact of  $CO_2$  emissions on their travel and factor greenhouse gas emissions into their travel choices.

#### Third party external advisory compiled similarly reported Carbon Intensity Metrics by other Airlines for comparability.

Airline	Flair Airlines	Air Canada	IAG	easyJet	Ryanair
Metric reported	gCO <sub>2</sub> / passenger km	kgCO <sub>2</sub> e / 100 RTK	gCO <sub>2</sub> / passenger km	gCO <sub>2</sub> / RPK passenger km	gCO <sub>2</sub> per passenger km
Most recent year reported	2023	2021	2022	2022	2023
Amount <sup>1</sup>	63.98	95.08 <sup>2</sup>	83.50 <sup>3</sup>	70.364	66.00 <sup>5</sup>
Higher / (lower) than Flair (g)	n/a	31.10	19.52	5.38	2.02
Higher / (lower) than Flair (%)	n/a	48.61%	30.51%	9.97%	3.16%

<sup>1.</sup> Variations in unit of measure e.g., passenger kilometers vs revenue passenger kilometer, revenue ton kilometer, and reporting periods exist

<sup>2.</sup> Air Canada 2021 GHG Emissions Intensity

<sup>3.</sup> IAG Statement of Non-financial Information 2022

<sup>4.</sup> easyJet 2022 Sustainability Report

<sup>5.</sup> Ryanair 2023 Sustainability Report

#### Operational Efficiency

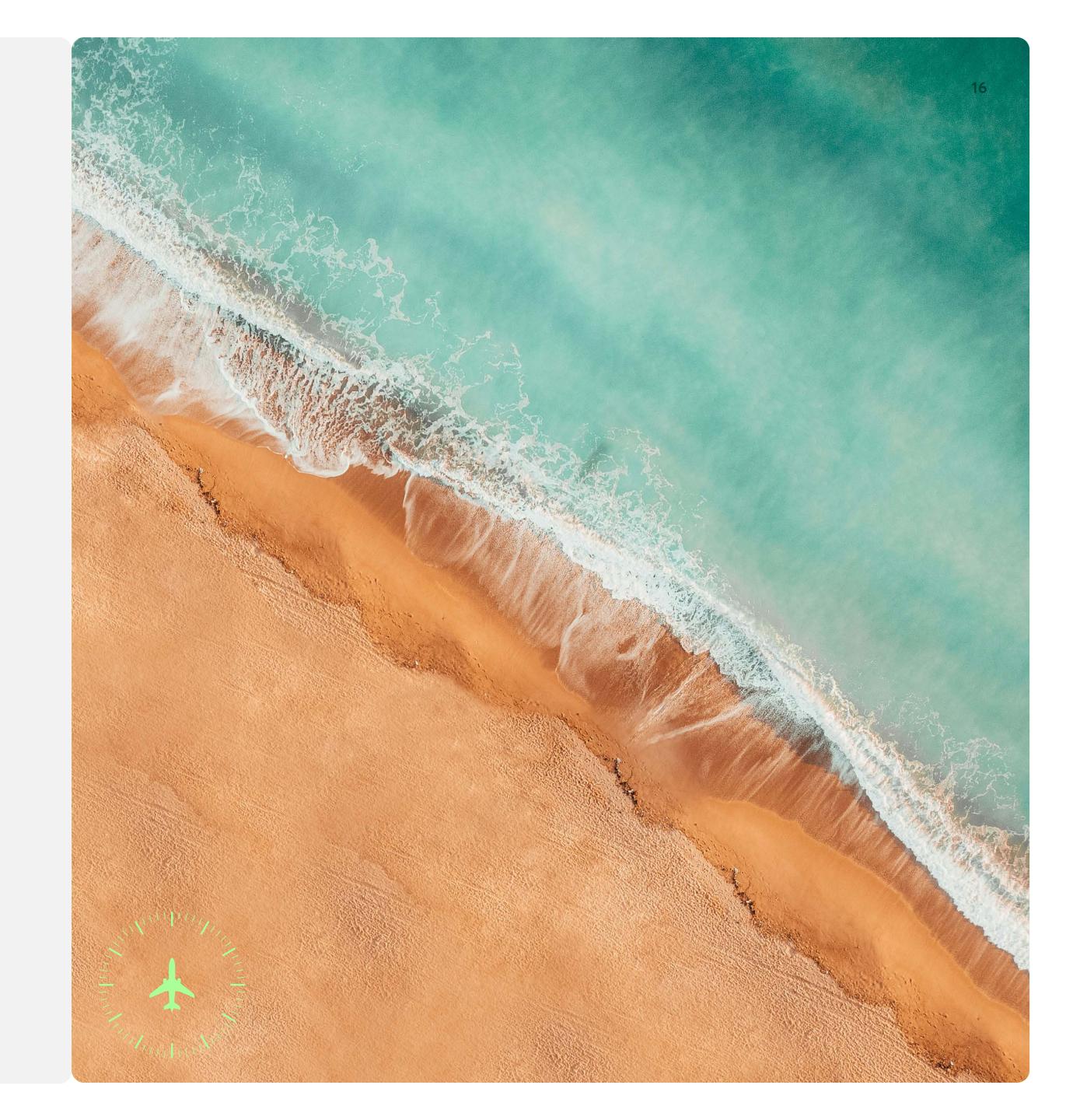
# Operating our fleet efficiently is critical to our emission reduction goals

#### **HIGH OCCUPANCY ON AIRCRAFT**

In 2023, Flair flew 4.5 million passengers with an 86% load factor, a 9% increase over 2022. This operational performance, combined with our newer fleet and lower weights, are the foundations of our aircraft emissions strategy.

As fuel efficiency is driven by aircraft weight, we have modified our aircraft to be lighter and thus save fuel and emissions by:

- Installing lightweight seats & carpets
- Eliminating heavy wi-fi & entertainment systems



HOW WE OPERATE

#### On-Ground Emission Management

Though ground operations contribute less than 10% to our scope 1 GHG inventory, we're committed to reducing all combustion emissions.

#### **AIRCRAFT TURN-AROUND REDUCTION**

To minimize our overall footprint and drive cost-savings for Canadians, we move our aircraft as efficiently as possible. This involves optimizing flight paths, gate procedures, and crew adjustments for changing ground conditions.





#### **APU BURN POLICY**

Our auxiliary power unit (APU) burn policy is another way we save fuel and reduce GHG emissions. We continue to explore efficient APU adjustments to minimize fuel burn at gates, mitigating airport impact on climate change.

#### **SINGLE ENGINE TAXI**

We collaborate with airports to reduce fuel usage during ground operations and taxiing, including practices such as single-engine taxiing after landing.

#### **AIRPORT MOVING MAP FOR PILOTS**

Reducing taxi time by improving gate access saves fuel. In 2023, we introduced cockpit mapping technology, enhancing pilot situational awareness and efficiency during taxiing.



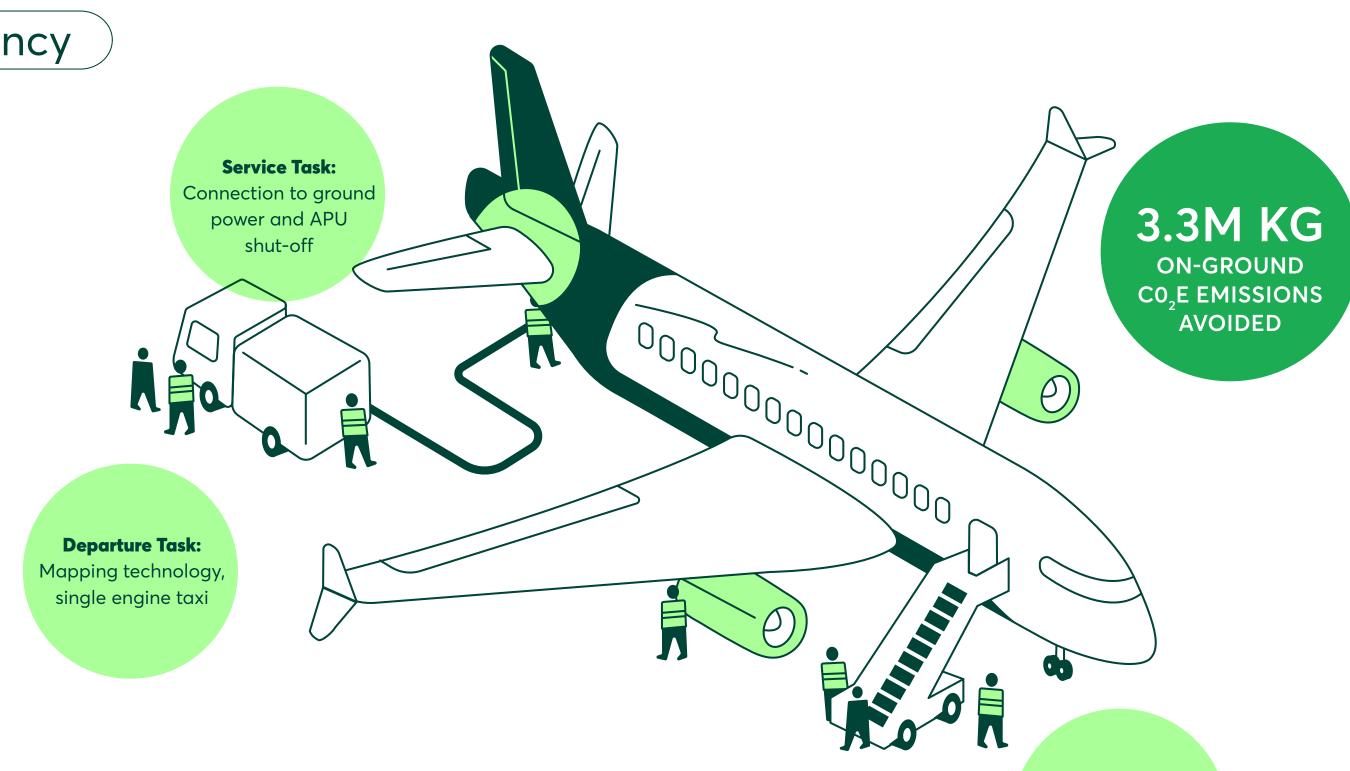
### Optimizing Ground Handling Safety and Efficiency

#### **GROUND HANDLING**

Engaging our ground handlers as part of our on-ground emission reduction program is vital to the success of supply chain sustainability.

Executive Aviation, a top Canadian ground handler, backs community charities and emphasizes sustainability in their supply chain. They prioritize DEI training for airport communities and teams, and introduce eco-friendly ground service equipment (GSE) solutions.

We look forward to working towards applied electric conveyor belts to offload and load baggage, and electric push backs to ensure a safe and green aircraft turnaround in the future.



**Arrival Task:**Aircraft door open time

HOW WE OPERATE

#### Sustainable Sourcing and Procurement

#### **CODE OF CONDUCT**

Flair's code of conduct guides supplier and vendor behavior, incorporating ESG topics and sustainability principles. It reflects our culture and values, setting standards for minimizing environmental impacts, ensuring safety, and promoting equal opportunities. This code is integral to ensuring compliance and sustainability in our supply chain.

#### **ESG SUPPLIER MATURITY ASSESSMENT**

Flair employs a framework to evaluate suppliers' ESG integration progress. This questionnaire, part of our RFP process, aids procurement teams in scoring supplier performance. It accelerates sustainable supply chain progress and offers practical guidance for collaboration and improvement.

#### **FLAIR UNIFORMS**

Flair uniforms are produced without chemicals and utilize sustainable fabrics that are recycled after use to complete the loop.

Skypro designs, produces, and delivers stylish and functional uniforms to Flair in an environmentally responsible way. Guaranteeing minimal waste, they use sustainable technology to reduce unnecessary garment production, water, and energy consumption.

Running an effective uniform purchase program, the Flair Marketplace up-cycles textiles allowing staff to update their wardrobe while working towards a circular economy.



### Environmental Stewardship

#### **WATER CONSERVATION**

Maintenance and sustainability teams collaborated to find an ESG solution to reduce aircraft washing water consumption, saving 3,000 to 4,000 liters per wash by dry washing.

This process enhances operational efficiency by minimizing fuel use and enabling simultaneous maintenance activities without aircraft movement.





#### Sustainable Cabin

#### FIRST MOVER FOR RECYCLING FROM AIR

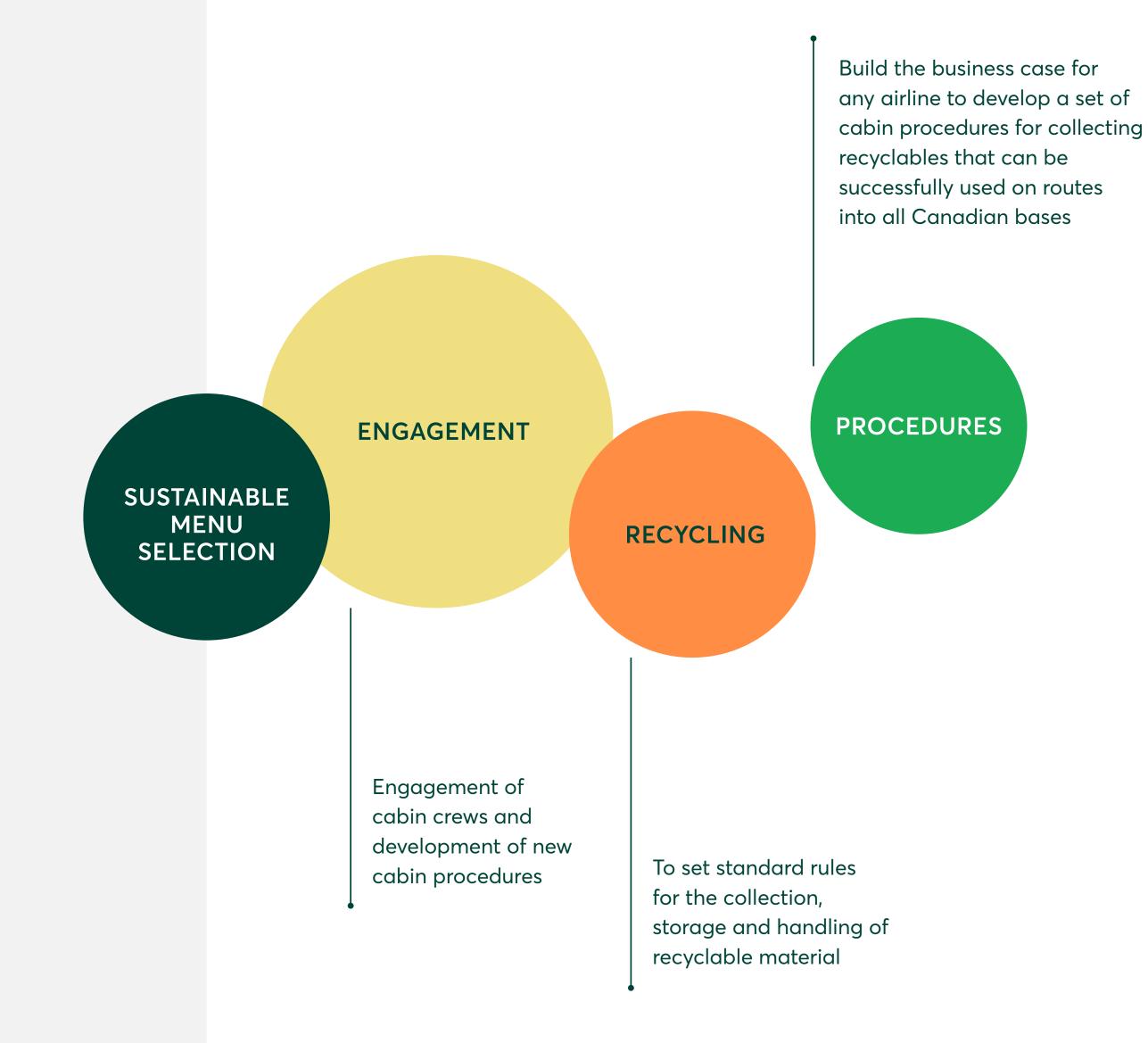
In 2023, we collaborated with airport authorities to pilot new waste management processes for on-board waste. Sorting cabin waste cuts costs and promotes a circular economy. We aim to expand this initiative further in 2024.

#### **PARTNER SELECTION**

In 2023, we focused on reducing single use plastics by using alternative lightweight materials for cutlery and cups.

Alongside these on-board efforts, we cut single-use plastics on-board by switching to alternative materials. Additionally, we introduced a locally-focused menu, partnering with suppliers who prioritize sustainability in packaging and supply chains.

In 2024, we will continue to work with our Canadian suppliers to further identify waste and weight savings opportunities.



Charitable

giving

# How we operate: What we impact

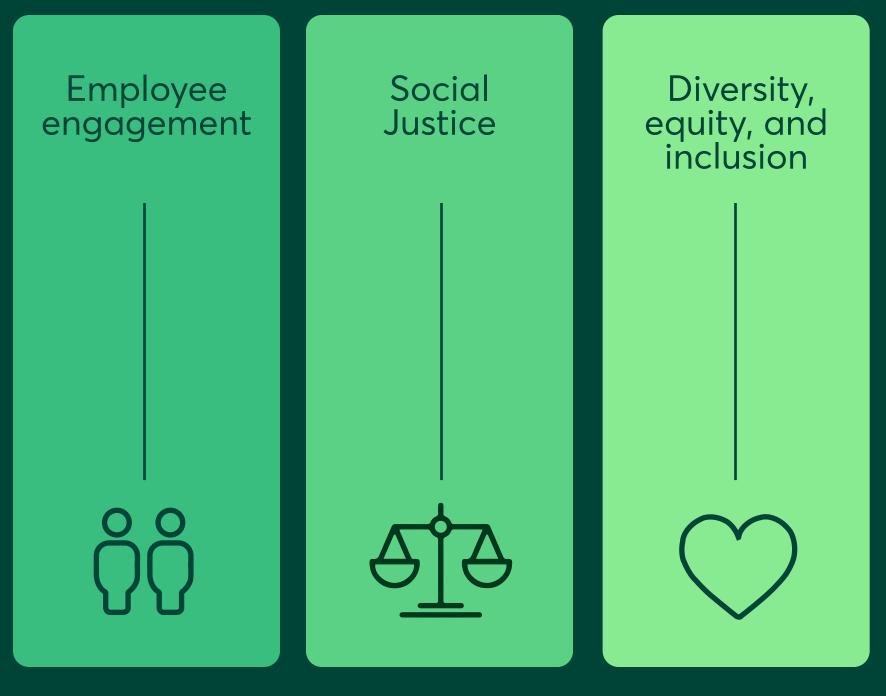
# Improving wellbeing in the places we fly

#### **GOOD HEALTH AND WELLBEING**

In 2023, Flair prioritized inclusive growth and diversity in tourism, supporting engaged teams and fostering diversity, equity, and inclusion through recruitment, training, and network building.

Our core principles guide our approach to social impact strategy

### In this section



HOW WE IMPACT

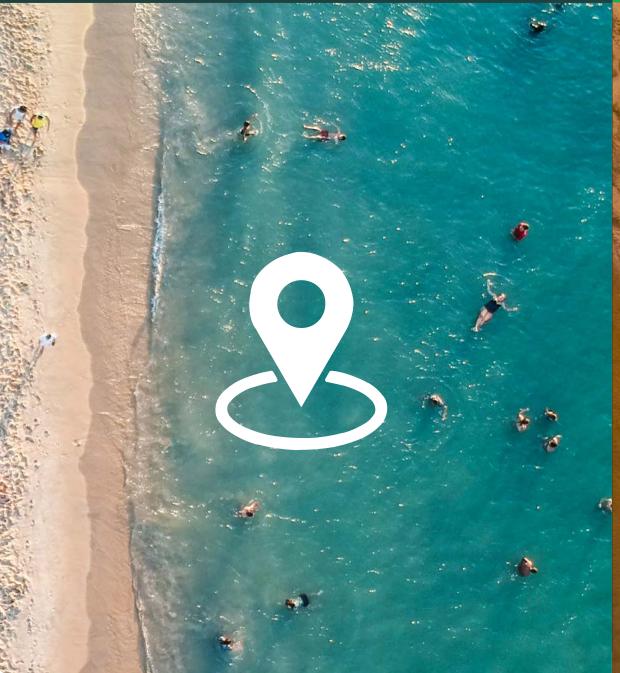
# Social impact delivered through engagement

Places

Team

Partners

Charity Giving







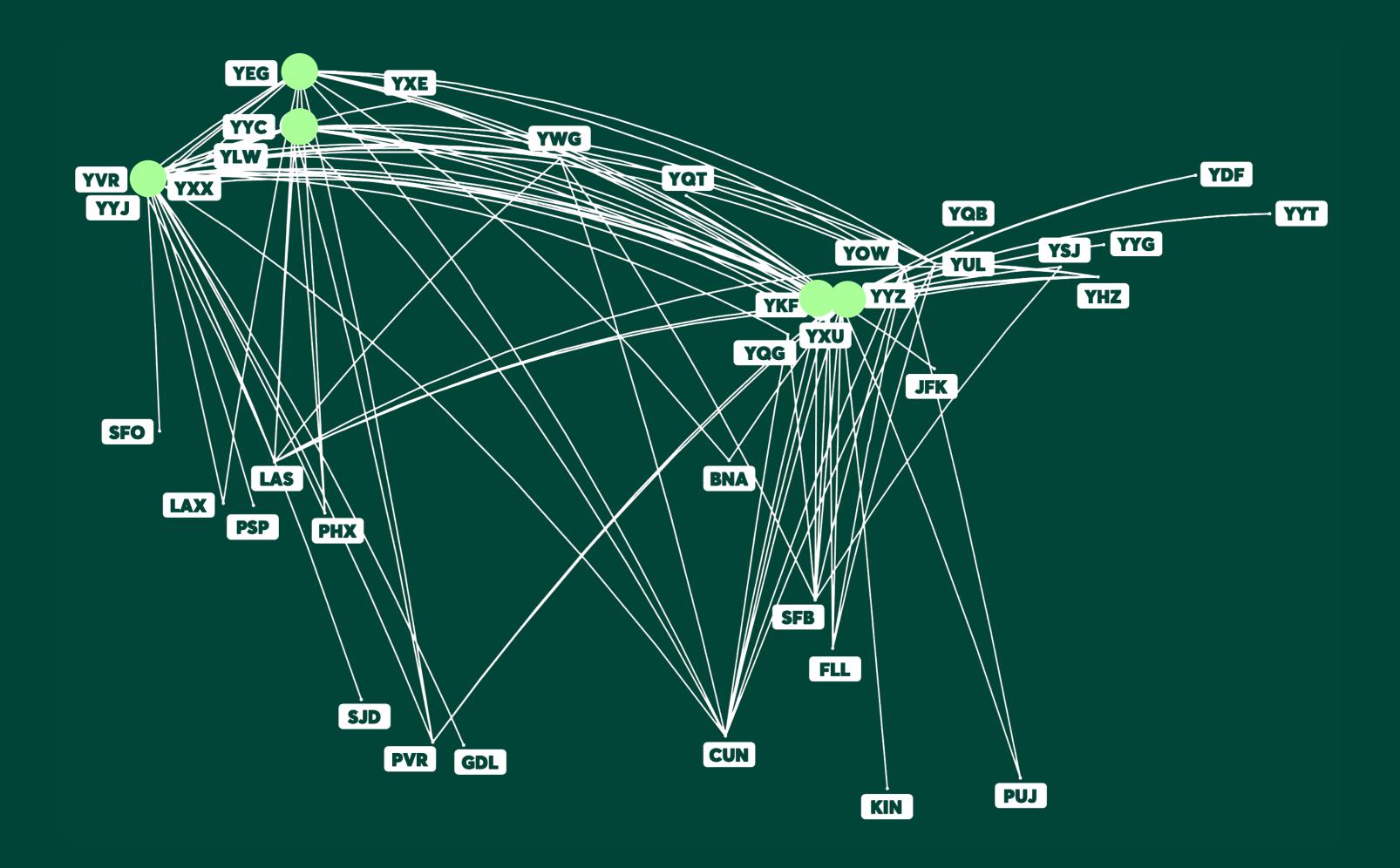
# Places

### Where We Do Business

Every base contributes unique features to our expanding network

#### **NEW BASE OPERATIONS IN CALGARY**

In 2023, we opened our new Calgary (YYC) base to enhance network scheduling options, reducing overall aircraft costs. This benefits customers by eliminating the need to bring aircraft from other bases. As an Alberta-based company, we're proud to expand offerings for travellers and create nearly 150 jobs for the community.



# Places

The Flair Effect

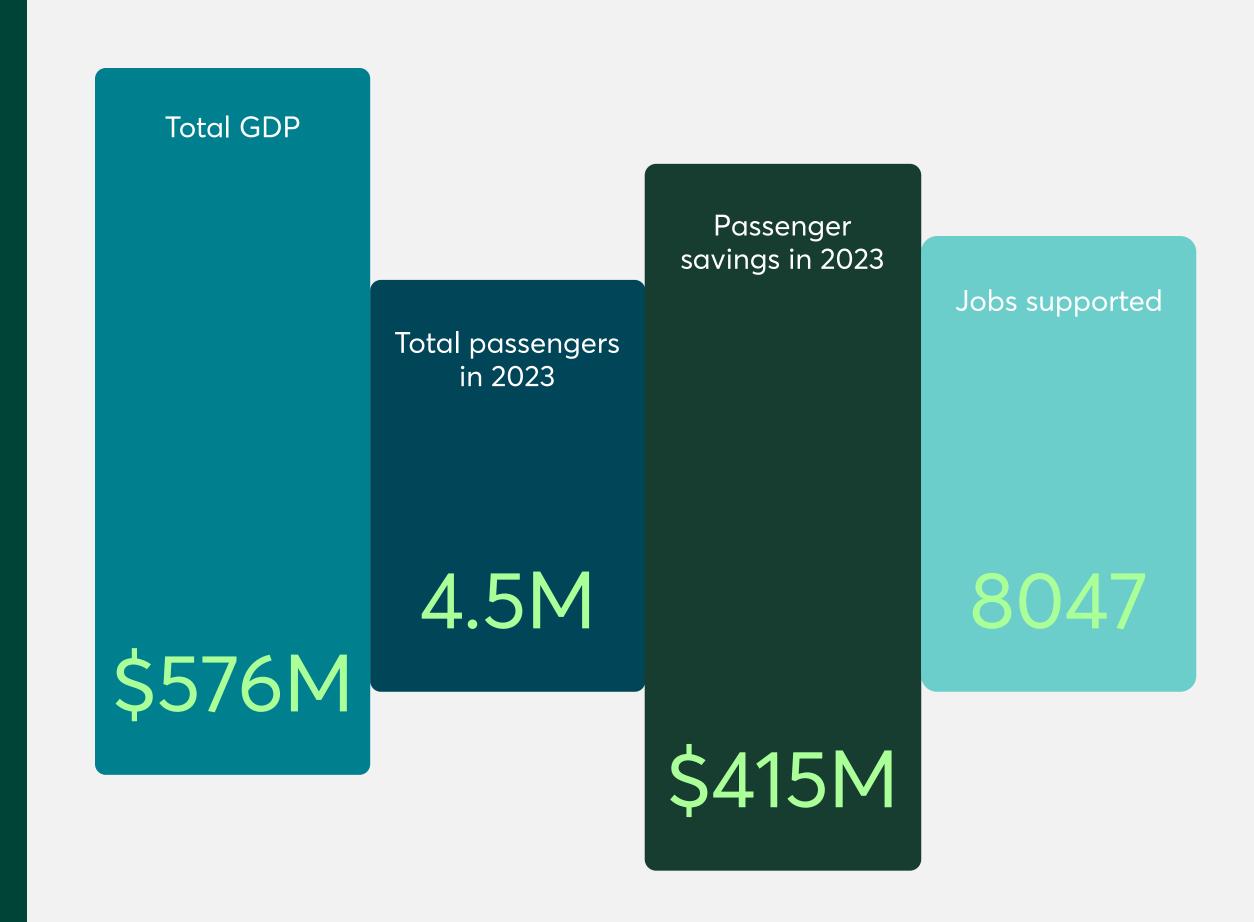
# It's not just about flights; it's about the impact on your wallet

#### The Flair effect

We put real money back where it belongs – in your pockets.

In 2023 alone, Flair estimates to have saved Canadians

\$415M+

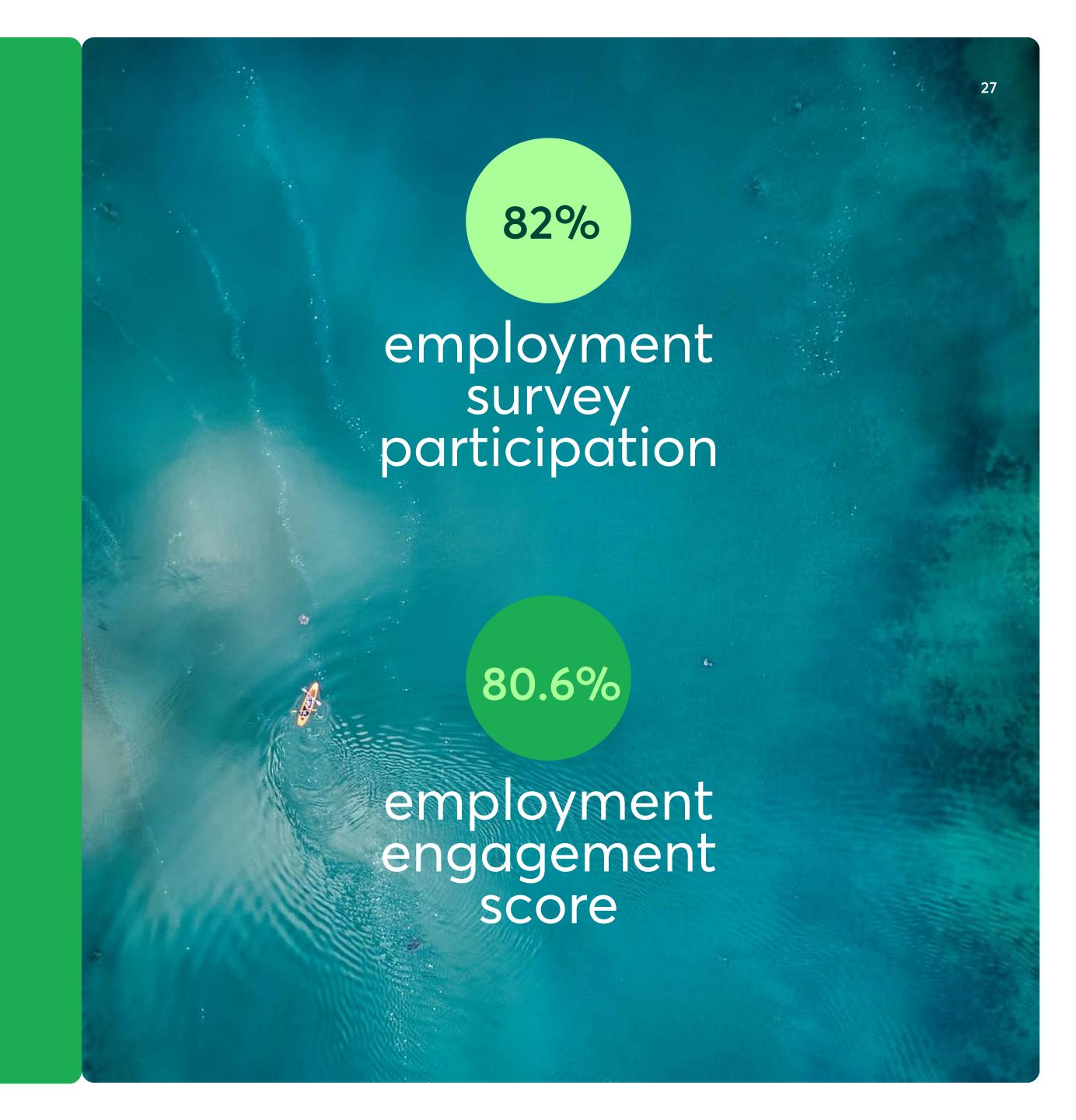


## Team

### Training, Education & Leadership

In 2023, Flair conducted an Employee Engagement Survey, with 82% participation, assessing workplace wellness, pride, fairness, and equity. The overall engagement score was 80.6%, indicating high employee commitment. Feedback from this survey and regular Employer Net Promoter score surveys is shared with leaders for timely action.

Additionally, Employee Roadshows were held in February and September across operating bases since 2021, facilitating company updates and employee feedback, leading to operational improvements and enhanced employee experience.



## Team

**WORKPLACE GAP** 

# At Flair, we prioritize gender equality within our workforce

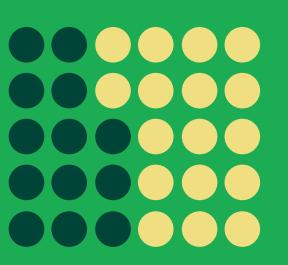


# REPRESENTING ICONIC WOMEN ON OUR ICONIC DOT

Flair prioritizes gender equality by fostering women's leadership through the Women's Network. It provides opportunities for skill development, networking, career advancement, and knowledge sharing to empower female leaders in aviation.

48% of our employees are female.

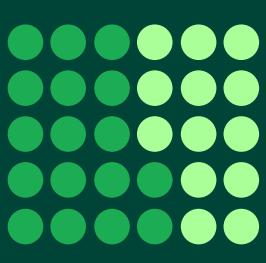




57%
of our supervisors

are women.

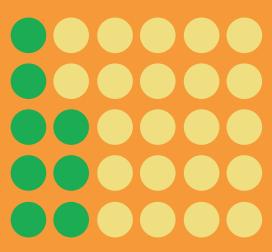




39%

of women within our organization hold positions in management and corporate leadership

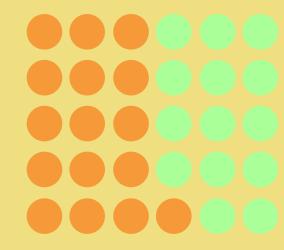




Our Operational Control Center (SOCC) and Planning department boasts

53% female representation.





HOW WE IMPACT

## Team



Rachel Pederson

Director, Dispatch

Rachel leads Flair's Dispatch team out of our Operational Control Center (SOCC) in Edmonton.

"I am extremely proud of the Dispatch Department that we have created at Flair.

It is inspiring to work in a team that values talent, irrespective of gender. I admire the strong women I'm lucky enough to work alongside."

#### **INCREASING THE NUMBER OF WOMEN IN AVIATION**

Flair has built a close, professional relationship with **Elevate Aviation**, a not-for-profit organization founded in 2015 in Edmonton, Alberta. Elevate Aviation provides a platform for women and underrepresented groups to thrive and succeed through careers in aviation.

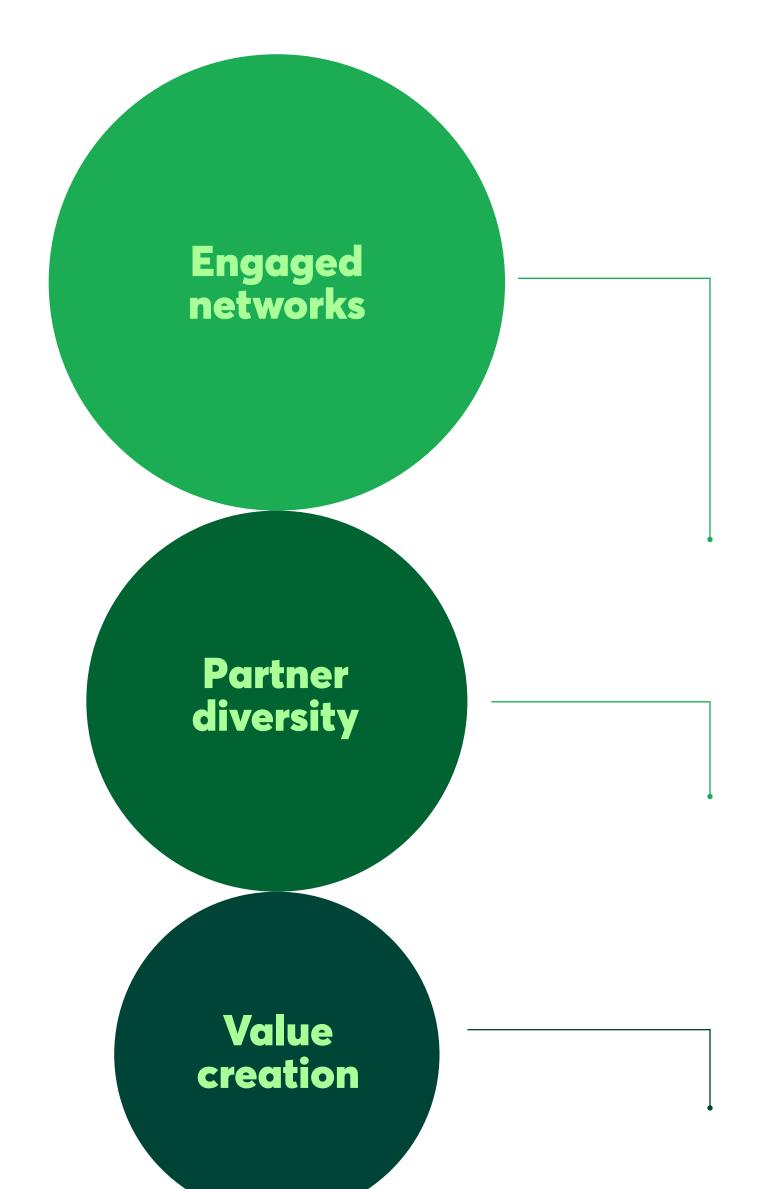


## Team

#### **DEI Statement**

As a federal employer, Flair engages in the annual Labour Employment Equity Program (LEEP) mandated by the Employment Equity Act. LEEP promotes employment equity for designated groups: women, indigenous peoples, persons with disabilities, and visible minorities. Flair consistently reviews and enhances its practices to ensure compliance with the Act and facilitates meaningful employment equity initiatives through employee education and ongoing progress.

We foster diverse identities for sustained growth, advocating collaboration within and beyond our industry to advance DEI goals through capacity building. Bringing people together to achieve these goals drives progress and collaboration across value chains, industries, and aviation.



We invest strategically to enhance engagement, expand talent outreach, and foster retention among employees, customers, and communities. Our employee-led DEI network promotes inclusivity and utilizes diverse backgrounds, ages, and talents to cultivate a healthy workplace environment.

Launching sustainability initiatives within our supply chain and partnerships drives our DEI goals forward. Educating and advocating for our stance strengthens our commitment and expands opportunities for diverse partners.

Impact is central to our values as we champion sustainable travel for Canadians daily. Embracing our diverse team members, customers, and communities, we leverage our unique identities and experiences to grow and thrive together.

## Team

#### **DEI NETWORK**

Our DEI network celebrates and fosters understanding among team members, creating an inclusive environment where everyone feels valued and empowered to contribute their unique perspectives and talents.

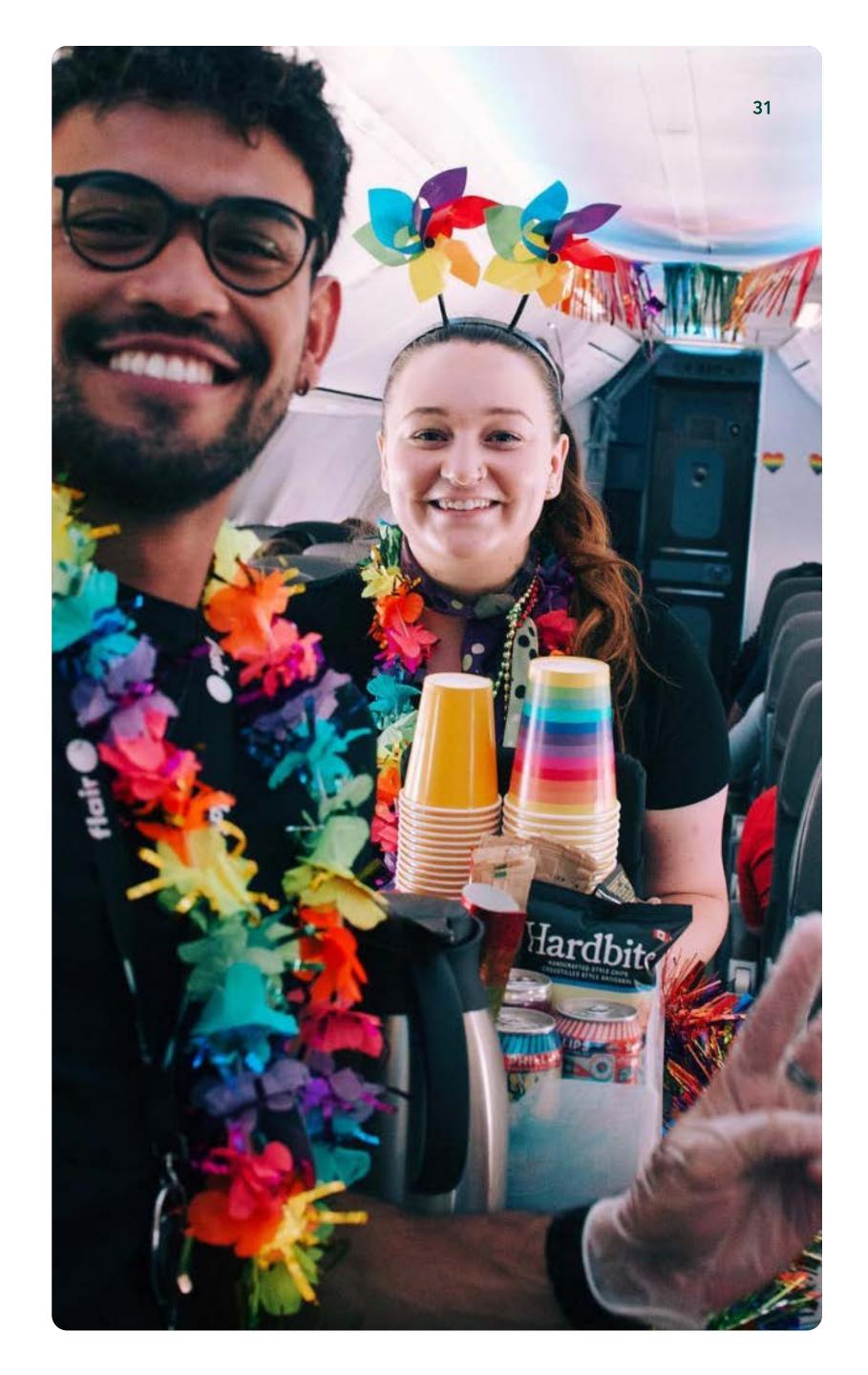
In 2023, we tracked a Diversity Ratio KPI, which measured inclusivity in hiring and management. It combined the proportion of diverse candidates interviewed and diverse managers, yielding a score of 1.03 out of 2, showcasing our dedication to diversity and inclusion.

#### **SUSTAINABILITY NETWORK**

In 2023, Flair launched its first employee environmental engagement program to raise awareness of aviation sustainability and encourage forward-thinking. Peer-led teams promote our sustainability strategy and priorities, involving all departments to foster learning, efficiency, and support for environmental stewardship and equity.

#### **PRIDE FLIGHT**

In 2023, Flair's Pride Flight, led by the DEI network, was one of three employee-led initiatives celebrating social equity. Departing from Vancouver to Toronto, it celebrated our commitment to inclusive culture and accessible travel for all Canadians.



## Partners

# Taking accessibility to the sky

#### **ACCESSIBILITY STATEMENT**

Flair is committed to advancing accessibility, engaging with persons with disabilities to better understand their experiences and meet their needs Our accessibility plan represents our commitment to identifying and removing barriers.

#### CANADA'S FIRST CERTIFIED AUTISM AWARE AIRLINE

In North America, Autism Spectrum Disorder (ASD) affects approximately one in 58 children. Families with autistic children often avoid vacations due to concerns about navigating crowded airports, airplanes, and hotels.



Flair's cabin crew completes
certification courses by Autism
Double-Checked, preparing them
to accommodate autistic guests
and help them navigate the air
travel experience.

**HOW WE IMPACT** 

## Partners

#### **HUMAN TRAFFICKING STATEMENT**

Our role and responsibility to help prevent human trafficking and exploitation in aviation is significant and we will remain resolute in identifying, preventing and eliminating human trafficking and sexual exploitation activities related to our business.

We've partnered with #NotInMyCity to train our employees and contractors on identifying and addressing potential human trafficking or exploitation incidents. Our people are equipped to recognize signs and suspicious behavior. We've implemented policies and due diligence processes to uphold human rights and ESG standards. Ensuring compliance with supply chain reporting obligations such as Bill S-211 and similar forced labor and child labor information requirements.

#### **SAFE PASSAGE PROGRAM**

Human trafficking and sexual exploitation are among the fastest-growing crimes in Canada.

Launched in 2023 Flair's Safe Passage
Program goes beyond identification and provides
immediate support to survivors, including flights.

By extending anti-trafficking initiatives beyond standard training, Flair distinguishes itself as the only airline in Canada directly supporting law enforcement in the fight against human trafficking.

# Charity Giving

#### **CHARITY MILES PROGRAM**

Our Charity Miles program offers air transport to charities and communities in need, including flights for educational opportunities for youth. Each year, we partner with local nonprofits to support their operations and fundraising events, providing in-kind flight vouchers to aid their missions of community and environmental support.

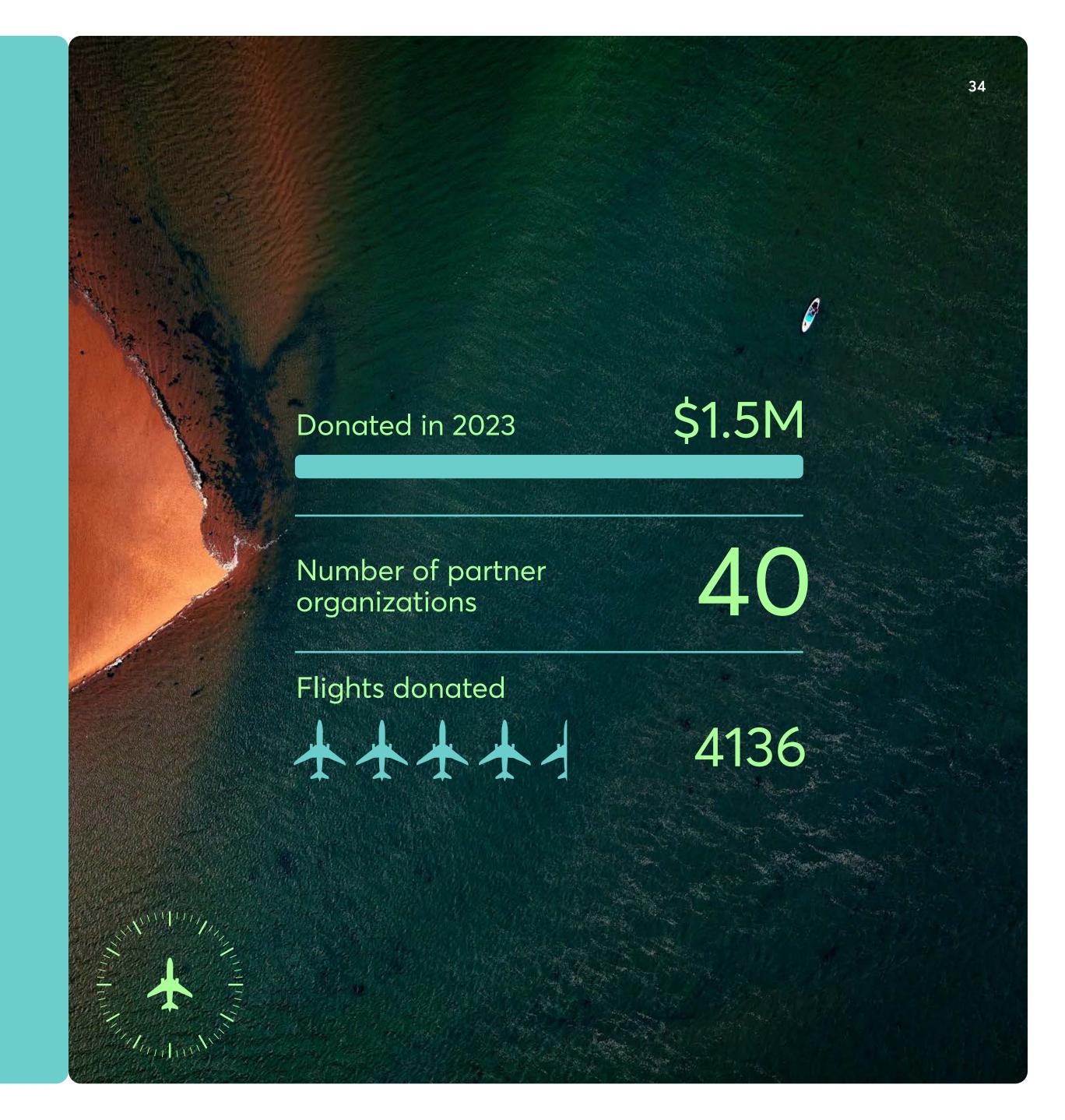


#### **UNIVERSITY HOSPITAL FOUNDATION**

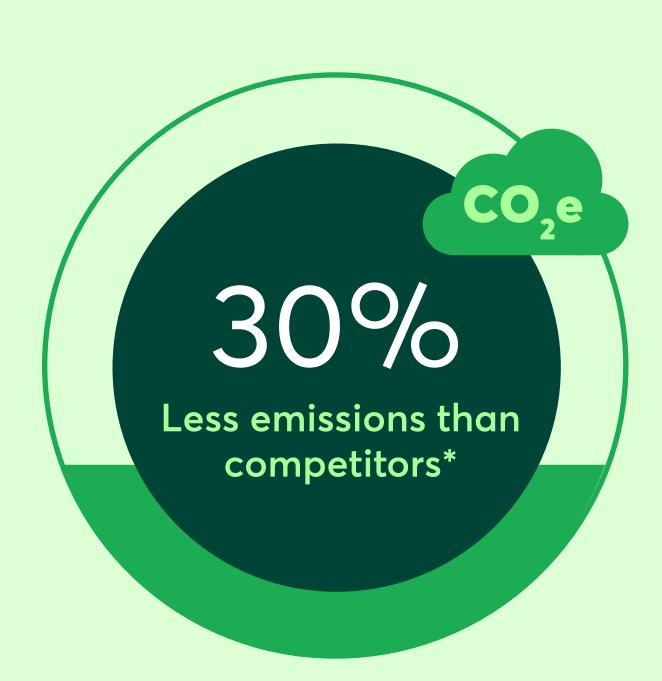
Flair partners with the University Hospital Foundation to raise funds for healthcare and technology, supporting patient care, education, and research.

#### **YEG CARE HOMES**

In 2023, we partnered with YEG Care Homes to assist children in need, giving them the opportunity to attend Santa's Breakfast in November. This event supports Edmonton youth during the holidays.



# 2023 Sustainability Highlights



On average, our carbon footprint per Flair aircraft is 30% less emissions vs. competitors.



Average of **3,000 to 4,000 liters** 

of water saved by dry washing an aircraft.



Though aircraft fleet efficiencies and on-ground CO2 reduction initiatives.



Flair is going plastic-free by replacing single-use plastic items for recyclable and compostable cups and cutlery on-board.

# Building blocks and industry partnerships

**HOW WE COLLABORATE** 

Responsible governance and accountability are fundamental parts of the business and culture at Flair. We value integrity, transparency, and collaboration, and we work to provide clear guidance while considering the best interests of all involved stakeholders.

We believe equitable business contributes to sustainable business. Our governance structures prioritize human rights, indigenous rights, risk management, transparent reporting, and industry collaboration.

As set out in our corporate strategy and CEO review, sustainability is a core pillar of our vision.

We manage and monitor fuel burn and emissions data monthly to the Executive Leadership Team.

Our focus in 2023 was building a digitally enabled scope 1 greenhouse gas inventory and sustainability dashboard.

At the management level, we formally assigned responsibility for oversight of our climate change strategy to our Chief Corporate Development and General Counsel Officer in 2024.

Key progress on our commitment to responsibility includes governance policies guiding our philosophy

Board **Diversity** Code of **Conduct Indigenous** Relations **Supplier** Sustainability **Assessment** Whistle blower **Policy** 

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# H

# ch-aviation

#### Industry Alliances

#### **KNOWLEDGE SHARING**

Knowledge sharing boosts operational sustainability. Our cross-functional teams dedicated to ESG strategy enable collaboration with partners to tackle industry challenges and opportunities.

#### **C-SAF MEMBERSHIP**

In 2023 we welcomed a partnership with Canadian Sustainable Aviation Fuel (C-SAF).

C-SAF and its members support the advancement of SAF in the Canadian value chain to drive policy development and future regulation of clean fuel adoption in Canada.

#### **UNIVERSITY OF WATERLOO PARTNERSHIP**

We collaborate with the University of Waterloo to foster environmental leadership and industry expertise in aviation. Partnering with universities and students, we translate our climate goals into actionable steps. The University of Waterloo and Region of Waterloo are instrumental in identifying and addressing emerging ESG risks in aviation.

#### PROJECTS AND STRATEGIC PARTNERSHIPS

- StorkJet fuel efficiency system
- Greening government project, Azzera Celeste CORSIA emissions platform
- International Water Guard, potable water solution
- Assaia's ApronAl
- FLYHT AFIRS Edge, operational efficiencies system

#### (Awards and Recognition)

Flair was honoured to be recognized as the second youngest fleet in North America by ch-aviation: Youngest Aircraft Fleet Award. We welcome this acknowledgment and strive to be the most efficient airline in Canada.



HOW WE COLLABORATE

#### Information Systems and Risk Management

#### **CYBERSECURITY**

Cybersecurity is paramount in safeguarding both passenger and company informations, ensuring privacy and integrity. By prioritizing robust cybersecurity measures, we uphold trust, sustainability, and resilience in our operations.

#### **PRIVACY**

Respecting passenger privacy is essential for maintaining trust and integrity. Our stringent privacy measures ensure confidentiality and security, reinforcing confidence in our commitment to passenger wellbeing.

#### **OVERSIGHT AND RISK**

Our audit committee oversees risk governance, meeting biannually to review all risks. We collaborated with a sustainability expert to assess  $CO_2$  emissions per passenger per kilometer, identifying areas for improvement based on industry benchmarks. Using the Greenhouse Gas Protocol, we categorize our carbon footprint by 'Scope'.

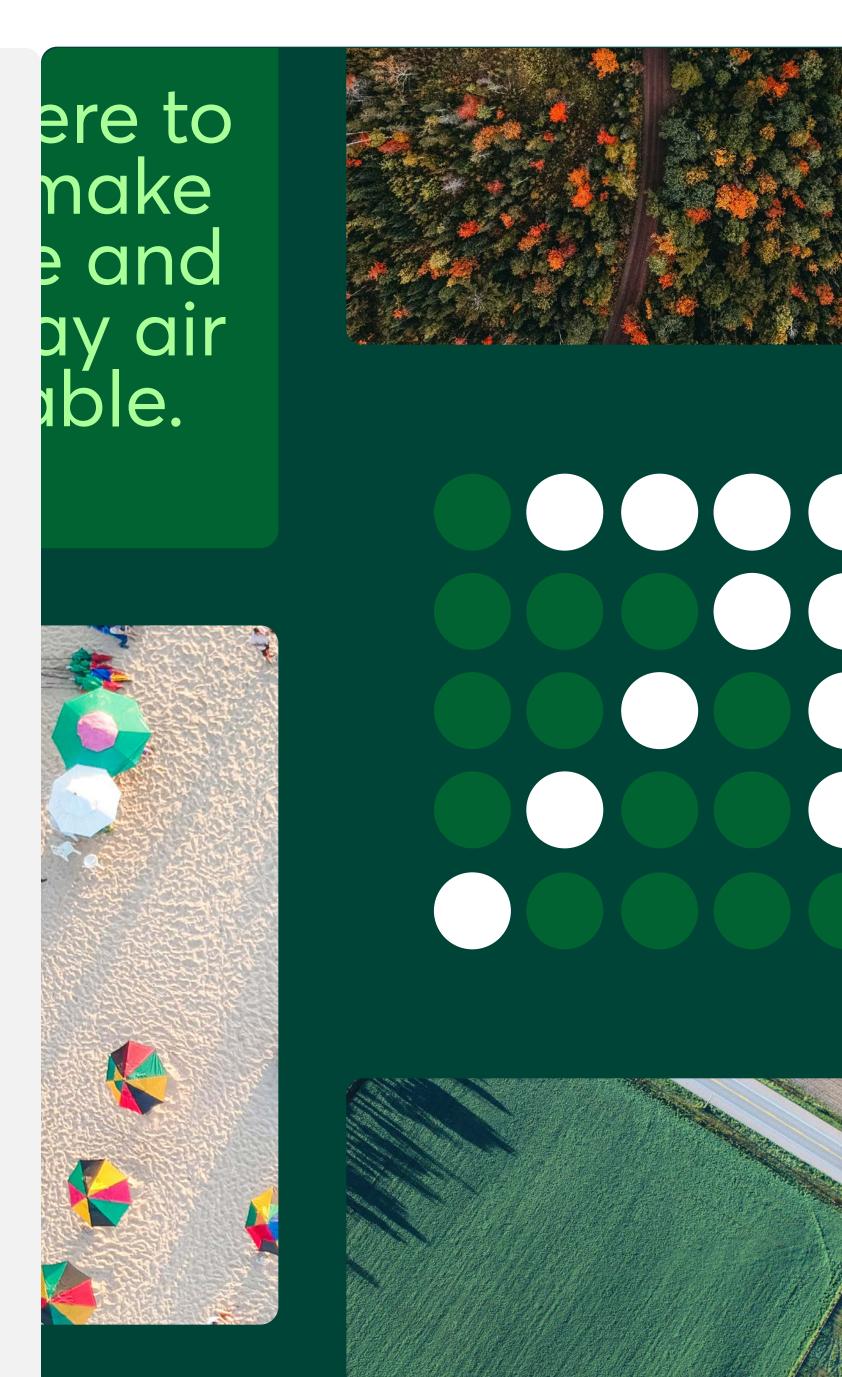
We measure and track:

- Total CO<sub>2</sub> emissions (tons) from aircraft operations
- Aircraft CO<sub>2</sub> (kg) per revenue ton kilometer
- Aircraft CO<sub>2</sub> (g) per passenger kilometer
- Electricity use (kWh)

In 2024, we aim to enhance our climate risk disclosures, reporting both financial risks and opportunities, prioritizing alignment with the Task Force for Climate-Related Financial Disclosures (TCFD) through best practices and external input.

#### **WHAT'S NEW**

- Formalized ESG strategy and management structure
- Appointed head of sustainability for expertise and direction
- Fostered partnerships for transitioning to low-carbon future
- Promoted sustainability in supply chain
- Established cross-functional fuel and emissions Steering Committee
- Developed carbon emissions measurement approach and Data Depot
- Supported sustainability network, employee-led environmental group
- Calculated Flair's Scope 1 greenhouse gas emissions
- Engaged in cross-industry and governmental forums like C-SAF





# Looking ahead

#### **WHAT'S NEXT**

- Seek stakeholder input and monitor emerging ESG practices
- Calculate Flair's Scope 2 greenhouse gas emissions
- Develop methodology for Scope 3 calculation
- Advance DEI initiatives and foster employee groups for ESG and diversity
- Explore decarbonization plan opportunities
- Collaborate with indigenous creators and communities
- Hold ESG sessions with Executive Leadership Team and Board committee members
- Expand local giving
- · Raise sustainability awareness through media and communications

- Assess risk assessment practices in ESG, including climate and fuel transformation
- Conduct internal stakeholder engagement on TCFD and climate-related risks, involving all business departments and Executive Leadership Team
- Develop climate scenario analysis approach through Corporate Risk Management processes
- Monitor Sustainable Aviation Fuel consumption forums like C-SAF
- Enhance climate adaptation through technology projects and investments

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