



2023 Modern Day Slavery Report

This disclosure is made by Flair Airlines Ltd. ("**Flair**", "**we**", "**our**" or the "**Company**") pursuant to the *Fighting Against Forced Labour and Child Labour in Supply Chains* (the "**Modern Slavery Act**") which came into force on January 1, 2024, and requires reporting entities to disclose their efforts to address forced labour and child labour (each as defined in the Modern Slavery Act and together, referred to as "**modern slavery**") in their business operations and supply chains. Pursuant to the Modern Slavery Act this report pertains to the fiscal year ended December 31, 2023.

About Us

As a Canadian aviation company, we recognize the responsibility we have to ensure our operations and the supply chains that support our operations adhere to the highest ethical standards, which includes no use of modern slavery in our business or supply chains. Flair is committed to acting ethically and with integrity in our business dealings. We expect our suppliers to also behave in this way. We are committed to improving our industry practices to combat modern slavery in our dealings with third parties, suppliers, and in our value chain to meet our commitments.

Steps taken during 2023

In January 2023, a Supplier Code of Conduct (the "Supplier Code") was developed and implemented. The Supplier Code sets out Flair's expectations of our suppliers and the requirements for suppliers to ensure Environmental, Social and Governance integration and the expectation that all suppliers comply with all anti-bribery, anti-corruption, anti-money laundering and modern slavery laws.

Structure, Activities and Supply Chains

- **Structure:** Flair is comprised of a single operating entity registered in British Columbia, with a head office in Edmonton, Alberta. Flair employs approximately 1150 full and part time employees in Canada, including officers and directors of the Company.
- **Operations:** Flair is Canada's only Ultra Low-Cost Carrier. Flair is making affordable air travel possible for all to Canada, in Canada, and from Canada, with a fleet of 20 leased



Boeing 737s. In 2023, Flair serviced over 4.5 million passengers on more than 113 routes across North America.

- **Supply chains:** Flair operates in a highly regulated sector centered on air transportation. Our supply chain is predominantly service based within Canada and North America. Procurement items are mainly jet fuel, outsourced services, aircraft parts, technology, and in-flight goods. Flair leverages supplier assessments, a sustainability questionnaire, and the Supplier Code to ensure that we are delivering responsible air travel services. Many of the suppliers from whom we procure goods and services must conform to the necessary aviation safety standards and certifications. We have begun work on mapping our existing supply chain, with a focus on our material spend suppliers and tier 1 suppliers that are closely connected to our business.

Additional information regarding the corporate structure and operations of the Company can be found on our website at flyflair.com/sustainability

Policies and Due Diligence

Policies

Flair is committed to ethical dealings in everything we do. Key to this commitment is the integrity of our people. Based on these principles we work to fight modern slavery through our policies, sustainability strategy, and leadership.

The Flair Code of Business Conduct and Ethics (the "**Code**") requires all our employees, suppliers, contractors, consultants, agents, business partners, and other service providers to have high standards of professional and ethical conduct.

Below, we have provided a list of the additional relevant policies that we currently have in place:

- **Anti-Corruption and Anti-Bribery Policy**
- **Supplier Code of Conduct / Supplier Pre-Screening Survey / Supplier Sustainability Questionnaire**
- **Whistleblower Policy**

In addition to the above, Flair mitigates the risk of modern slavery by maintaining a comprehensive human trafficking prevention program in partnership with Not in My City, an organization that works to prevent, disrupt, and end exploitation and human trafficking.

In December 2023, Flair launched the Safe Passage Program in external engagement and collaboration with Canadian law enforcement agencies. The Safe Passage Program supports law enforcement agencies and not-for-profit organizations by facilitating flights to provide immediate access to support systems for survivors of human trafficking.

We may in the future consider implementing additional policies designed to mitigate the risks of any actual or perceived modern slavery occurring in relation to our business or operations.

Due Diligence

The majority of our significant suppliers would also be subject to modern slavery legislation. Our established supplier due diligence procedures include supplier approval processes, procurement-related processes, and information gathering on existing suppliers and potential suppliers. All suppliers are required to review and acknowledge our Supplier Code.

An assessment was done of our supply chain partners who significantly impact our operations, and the risk of modern slavery was determined to be low. However, a major product affecting our operations is fuel costs, and we recognize that modern slavery can occur in any industry or jurisdiction that produces or distributes natural resources.

In January 2024, (our standard form Request for Proposal) terms for energy suppliers of jet fuel were amended to include language regarding required adherence to the Modern Slavery Act, and any other modern slavery legislation, as applicable.

Activity and Supply Chain Risks

Flair is not aware of any high-risk exposure to modern slavery associated with the Company's business or supply chains.

Remediation Measures

We are not aware of the existence of modern slavery in our business and the supply chains that support our operations and as such, we have not taken any measures to remediate any modern slavery or to remediate the loss of income to the most vulnerable families that resulted from any measure taken from any of Flair's actions.

Employee Training

To prevent human trafficking by air transportation, Flair delivers an awareness learning program to Flair employees to identify, and report suspected human trafficking. We have worked to instill awareness of respect for human rights among employees by ensuring that employees are aware of the new reporting requirements under the Modern Slavery Act. Senior managers have been trained in modern slavery and involved in the due diligence process.

Assessment of Effectiveness

Flair has not yet implemented any policies or processes to assess our effectiveness in ensuring that modern slavery is not used in the Company's business or supply chains.



Approval and Attestation

This report was approved by the Company's Board of Directors on July 26, 2024 pursuant to paragraph 11(4)(a) of the Modern Slavery Act.

In accordance with the requirements of the Modern Slavery Act, and in particular section 11 thereof, I attest that I have reviewed the information contained in this Report for the entity listed above. Based on my knowledge, and having exercised reasonable diligence, I attest that the information in this Report is true, accurate and complete in all material respects for the purposes of the Modern Slavery Act, for the reporting year listed above.

Per:

A handwritten signature in black ink that reads "Maciej Wilk".

Maciej Wilk

Chief Executive Officer

August 22, 2024

I have the authority to bind Flair.