



EIC 2021

Sustainability Report



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Sustainability at EIC

At EIC, we have always prioritized making the right choice for the long term over the easy choice for the short term. We recognize that effective management of environmental, social and governance (ESG) issues is consistent with our core values, key to long-term success, and essential to defining EIC's future. We believe in doing the right thing because it's the right thing to do.

ESG encompasses how we govern our business, minimize environmental impacts, invest in and support our employees, serve our customers, engage with communities and report on performance.

In late 2020, we initiated a process to help us better understand our most material ESG risks and committed to implementing systems and programs to manage those risks. We are in the early stages of our ESG journey, and while we know there is much more work to do, we are proud of everything we accomplished in 2021 and look forward to building a sustainability program with the full support and commitment of our leaders and employees.



EIC'S head Office is located on Treaty One Territory, the original lands of the Anishinaabe, Cree, Oji-Cree, Dakota, Lakota, and Dene peoples, and the birthplace and homeland of the Metis Nation. We acknowledge that our water is sourced from Shoal Lake 40 First Nation. We respect and give honour to the Indigenous Peoples' history on this land and recognize First Nations, Metis, and Inuit peoples' ongoing contribution in our neighbourhoods and communities today.

CEO Message

The role of the corporation is evolving. Companies have traditionally focused primarily on profits, productivity, and maximizing shareholder value, but increasingly they are expected to serve not only their shareholders but also to invest in and support their employees, contribute to the communities in which they operate, deliver quality products and services to their customers, deal fairly with suppliers and protect the environment – in short, create value for all stakeholders.

EIC's approach has always been to put people first, build proactive health, safety, and quality programs, and to prioritize protecting the environment. While we may not have called it sustainability, we have always had a strong belief in the importance of people and the environment to our ability to operate, grow and diversify.

Our focus on the long term has driven us to make significant efforts throughout 2021 to understand which social and environmental issues are most important to our stakeholders so that we can report on them accordingly. Our approach is informed by the priorities of our key stakeholders, including our employees, our investors, our customers, and our communities, as well as local and global developments that define the context in which we operate.

Sustainability is core to our approach and essential to our long-term success. We are committed to continuing our efforts to embed ESG into the way we do business and disclose our ESG performance in the years to come.



At EIC, we have always prioritized making the right choice for the long term over the easy choice for the short term.

-Mike Pyle, CEO, EIC

About this Report

This report provides an overview of the establishment and development of EIC's sustainability program and ESG platform. It is intended to reflect EIC's priority topics, goals and objectives related to our ESG performance, and is informed by the findings of an ESG materiality assessment conducted in 2021.

Senior management and relevant employees have reviewed the information in this report and believe it is an accurate representation of our performance. The metrics included in this report are not externally assured.

Unless otherwise indicated, the information contained in this document pertains to fiscal year 2021 (January 1 through December 31). All dollar amounts are in Canadian funds and environmental and other data are in metric units. Clarifying footnotes are included at the end of this document. Transactions that occurred subsequent to December 31, 2021 will be included in future reporting.

We pledge to report on our progress towards our goals, including publishing an annual sustainability report. We will also continue to engage in constructive dialogue with interested stakeholders. This report is a complement to: [2021 Annual Report](#), [2022 Management Information Circular](#), and [2021 Annual Information Form](#) (which can be found on SEDAR). Please reach out to us at [Investor Relations](#) with any questions or comments.

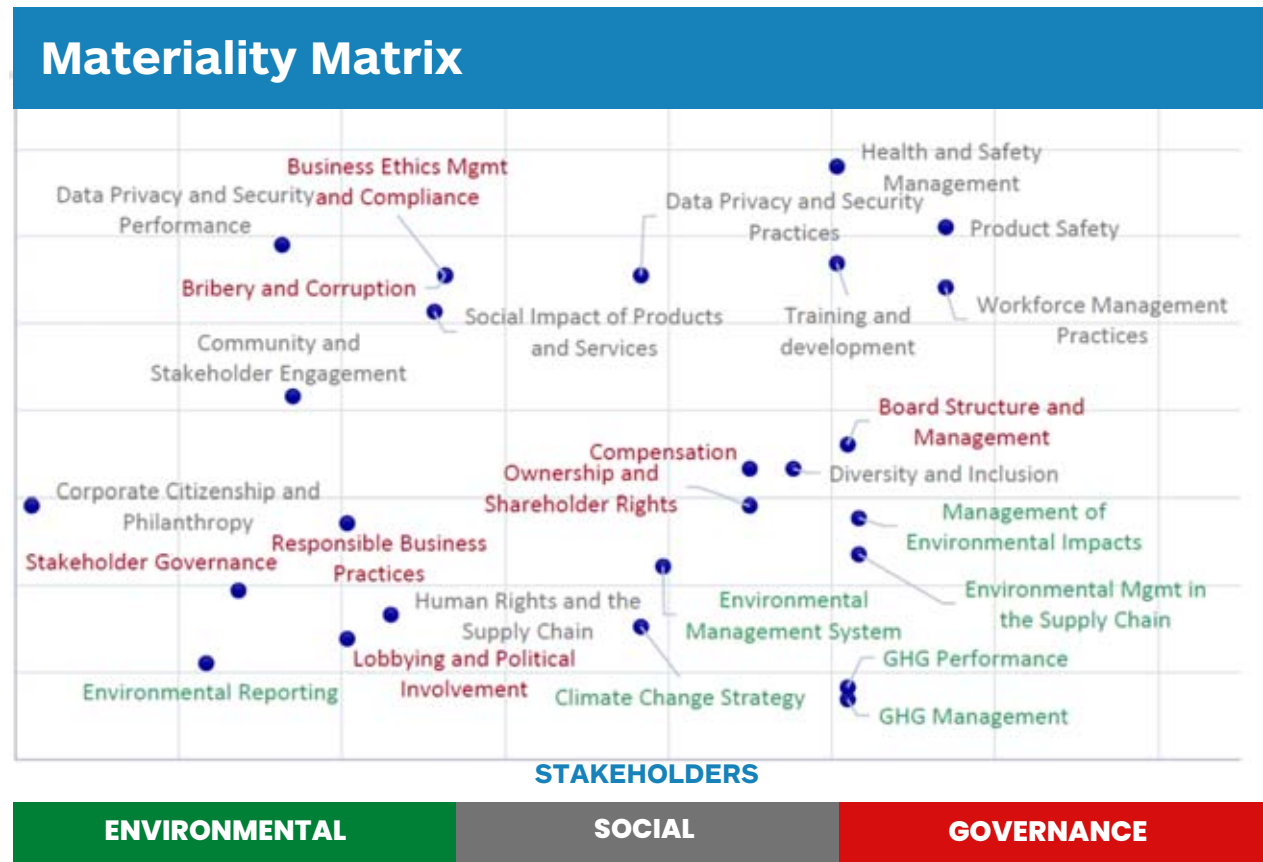
EIC FAMILY OF COMPANIES ¹



Materiality Assessment

In 2021, we conducted a materiality assessment to identify and prioritize the sustainability issues that are most important to our business and key stakeholders. This helped us to identify material ESG topics and ensure their alignment with our business decisions as we increasingly integrate sustainability principles into our operations and culture.

We began by identifying a set of material ESG topics based on desk analysis of disclosures made by peer companies, ESG rating firms' assessment frameworks, and ESG disclosure standards. This, directly and indirectly, represents the external perspective of stakeholders such as communities, customers, employees, investors, and governments.



We then solicited internal feedback on these topics from EIC's executive team, subject matter experts within the company, and leaders from our operating subsidiaries.

The results of this process were plotted on a materiality matrix, which positions each topic according to its importance to internal and external stakeholders. The vertical axis illustrates the importance to EIC, while the horizontal axis illustrates the importance to stakeholders. The materiality matrix enables us to prioritize our sustainability efforts with an understanding of the material topics that are critical for our business activities and most significant to our stakeholders.

Sustainability Priorities

The results of the materiality assessment are now being used as a tool to help establish sustainability priorities. Topics that are identified as highly material from both an internal and external perspective are given the highest priority unless they are already being addressed through our traditional business processes.

In addition, we are developing an action plan for ESG program development and a framework to improve communication about sustainability performance to all stakeholders. We plan to review our materiality topics regularly to ensure they reflect stakeholder and societal expectations and the changing business environment.

PRIORITY TOPICS

ENVIRONMENTAL	SOCIAL	GOVERNANCE
Management of Environmental Impacts	Workforce Management & Development	Governance & Business Ethics
Climate Change	Diversity, Equity & Inclusion	Data Privacy & Cybersecurity
	Indigenous Relations	
	Health & Safety	
	Quality & Safety	
	Community	

Sustainability Governance

We have enhanced our oversight of sustainability and ESG issues over the past two years:



GOVERNANCE COMMITTEE

Primary responsibility for oversight and coordination of ESG matters rests with the Governance Committee of our Board.



AUDIT COMMITTEE

As data privacy and cyber security require specialized oversight, responsibility for these matters has been delegated to the Audit Committee.



COMPENSATION COMMITTEE

The company's executive compensation program, which rewards executives for successfully executing on our overall strategy, includes ESG objectives and is the responsibility of the Compensation Committee.

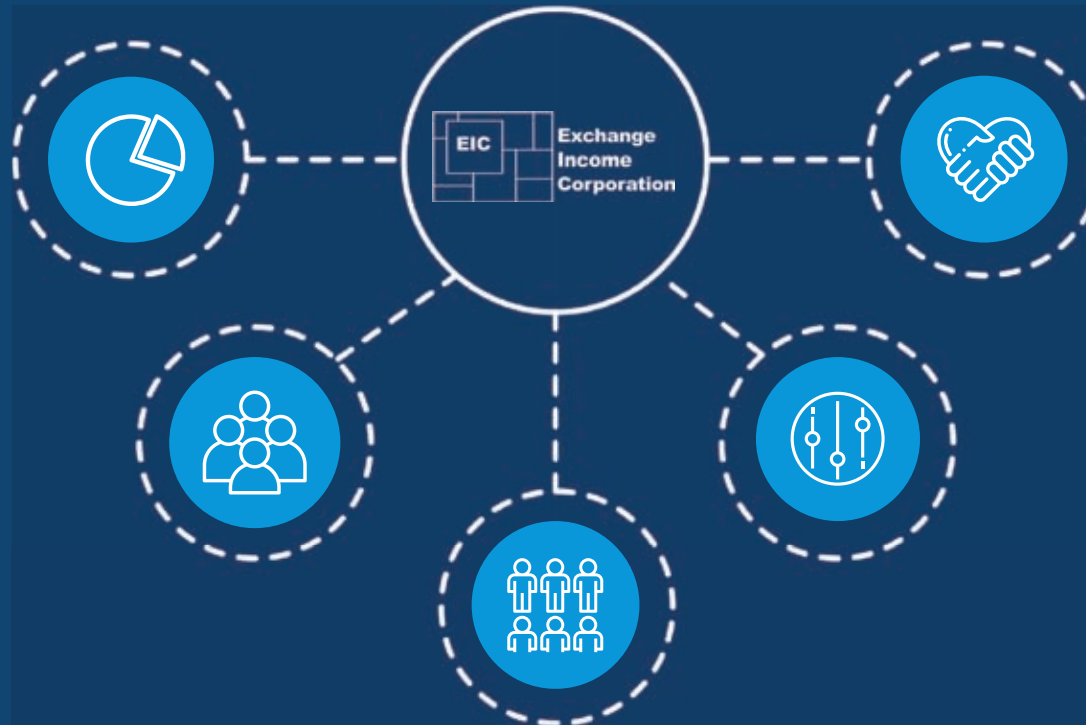


MANAGEMENT TEAM

Operational responsibility for sustainability and ESG issues has been assigned to a senior member of the company's executive team and we have engaged an ESG advisory firm to assist in the development and execution of our sustainability strategy.

Stakeholder Engagement

At EIC, the consideration of all our stakeholders' perspectives is critical to our decision making and the creation of value. As such, we regularly engage with our stakeholders in a variety of ways, including:



INVESTORS

- Meetings & calls with Executive
- Investor disclosure requests
- Earnings conference calls
- Annual General Meeting
- Investor roadshows
- Informal discussions at industry & professional association events



CUSTOMERS

- Social media
- Customer partnerships
- Customer meetings



EMPLOYEES

- Employee engagement surveys
- Performance reviews
- Safety opportunity submissions
- One-on-one meetings
- Intranet & newsletter stories
- Employee exit interviews



REGULATORS

- Review of regulations
- Contract negotiations
- Audits



COMMUNITIES

- Local engagement initiatives

Our Policies

In 2021, we reviewed and updated our existing sustainability policies and developed some new policies to strengthen our ability to manage our most material ESG issues. All our policies include clear and tangible commitments, the provision of employee training and support, and senior management accountability.



ENVIRONMENTAL POLICY

[link to policy](#)



INDIGENOUS RELATIONS POLICY

[link to policy](#)



QUALITY & SAFETY POLICY

[link to policy](#)



DIVERSITY, EQUITY & INCLUSION POLICY

[link to policy](#)



HEALTH & SAFETY POLICY

[link to policy](#)



CODE OF ETHICS

[link to policy](#)



CYBERSECURITY POLICY

[link to policy](#)



Our Progress and Commitments

We made significant progress in 2021, laying the groundwork for our sustainability program, introducing new policies and practices, and strengthening or maintaining those that are already in place.

- Completed materiality assessment to identify and prioritize the sustainability issues that are most important to our business and key stakeholders.
- Updated or developed six ESG-related policies, all which are available on our website.
- Launched a data collection and reporting project to help us improve our ability to provide accurate and meaningful data to our stakeholders.
- Committed to Indigenous reconciliation and diversity and inclusion training for senior executives and the Board of Directors.

Environment



2022 COMMITMENTS

- Refine data collection process
- Conduct baseline assessment
- Establish strategy & action plan

ENVIRONMENT AND CLIMATE CHANGE

At EIC, we are committed to reducing the consumption of natural resources, including energy and water, and the generation of emissions and waste. We developed an [Environmental Policy](#) in 2021, in which we committed to environmental leadership while conducting our operations, both on the ground and in the air.

We are also developing baseline resource consumption data for all our subsidiaries, to help us determine where we can most effectively reduce our environmental footprint. The majority of our GHG emissions are related to fuel burn and to heating, cooling and ventilating our facilities. Ongoing monitoring of key environmental metrics will help us provide the basis for more focused improvement initiatives.

To measure our progress and demonstrate our commitment to increasing our energy efficiency, reducing our GHG emissions, and minimizing water usage, we have set the following goals:

- Conduct a baseline assessment of our current energy use and Scope 1 and 2 GHG emissions and report on performance.
- Establish a strategy and action plan to reduce our GHG emissions, including setting goals and targets.
- Assess energy management at all our locations and determine the most effective ways to maximize our efficiency.
- Continue to advance discussions with our partners for transitioning our fleet of aircraft to hybrid and/or Sustainable Aviation Fuel to reduce our Scope 1 GHG emissions.



Environmental Data

	Units	2019	2020	2021
SCOPE 1				
Aviation Fuel	tonnes CO2e	177,215	141,138	179,875
SCOPE 2				
Electricity ²	tonnes CO2e	3,326	3,824	4,233
Natural Gas ²	tonnes CO2e	3,550	3,766	4,122
NATURAL RESOURCES				
Water Usage ²	m3	46,753	54,635	52,310

EIC's Subsidiaries were not cited or penalized for any violations of environmental regulations from 2019 through 2021.



35%
LOWER EMISSIONS



How EIC Delivers on Commitments

FLEET MODERNIZATION

Since 2015, in an effort to improve fuel burn and ultimately reduce emissions, EIC aviation companies have invested significant time and dollars in the development of more efficient propeller systems for our fleet of turbo aircraft. The last system was upgraded in 2021. To continue our tradition of fleet modernization, also in 2021, PAL Airlines increased the gauge of aircraft it operates. One of the key considerations of the fleet conversion from Dash 8-300s to Dash 8-400s was the reduction in carbon emissions achieved on a per passenger basis. Through product improvements, and the implementation of eco-friendly operating procedures, PAL Airlines' Dash 8-400's produce 35% lower CO₂ emissions than traditional regional jets and support efficient short haul flying. PAL Airlines' Dash 8-400s are the most environmentally responsible regional air travel option for the markets they serve. Additionally, as the world's most advanced turboprop aircraft, PAL Airlines' Dash 8-400s generate significantly lower noise than competing aircraft. This both minimizes impact to communities surrounding the airports at which PAL Airlines operates, and reduces impacts on wildlife whose habitat encompasses the rural and remote airports to which they operate in Atlantic Canada and Quebec.



90%

**RECYCLED
CONTENT**



How EIC Delivers on Commitments

90% RECYCLED CONTENT

Stainless Fabrication sources its stainless steel from suppliers who use between 80% to 90% recycled content thereby, conserving natural resources and further reducing energy consumption in the mining and refining process of the valuable elemental components.

How EIC Delivers on Commitments

STEWARDS OF THE LAND

In May, 2022, EIC was proud to announce the acquisition of Northern Mat & Bridge (NMB). NMB is the largest Canadian provider of environmentally focused temporary access solutions. This acquisition, in addition to meeting our investment criteria of strong management and sustainable cash flow, also supports our commitment to environmental leadership by not only acting to reduce emissions but to also protect scarce resources including forests, sensitive farm/grass lands and traditional land use areas.

NMB purchases all of its domestic lumber from third party, sustainable forest management certified, supply chains. Currently, 100% of lumber products used in the manufacturing of mats are supplied by forestry companies that are certified by the Forestry Stewardship Council (FSC).

For every tree harvested, 3.5 seedlings are planted - ensuring renewable resources for future generations.



Social



2022 COMMITMENTS

- Improve process for measuring workforce demographics
- Launch Employee Equity Self Identification Questionnaire
- Introduce Reconciliation training
- Deliver Diversity & Inclusion training
- Zero fatalities & Zero incidents



WORKFORCE AND TRAINING

We aim to be a leading employer in the aviation and manufacturing industries through our ability to attract, develop, and retain team members by strengthening our employee value proposition framework, including setting goals with employees at the early stage of their careers, having ongoing performance conversations, providing constructive feedback, and ensuring that employee training programs are robust and relevant to the job. We will also develop our career pathways and processes to recognize and promote diverse talent within our organization, from entry level to senior level positions.

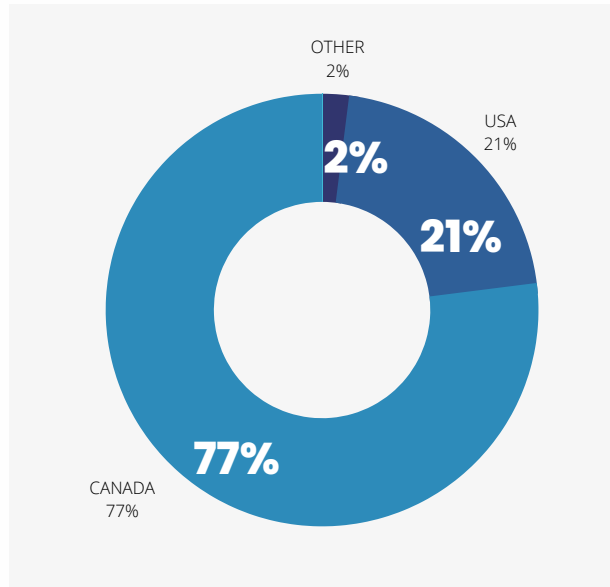
We are working to improve our process for measuring and monitoring workforce demographics to better understand workforce representation and identify areas for improvement.

Our apprenticeship programs and Life in Flight programs ensure we have access to a talent pool of skilled personnel with hands-on experience and advanced technical knowledge.

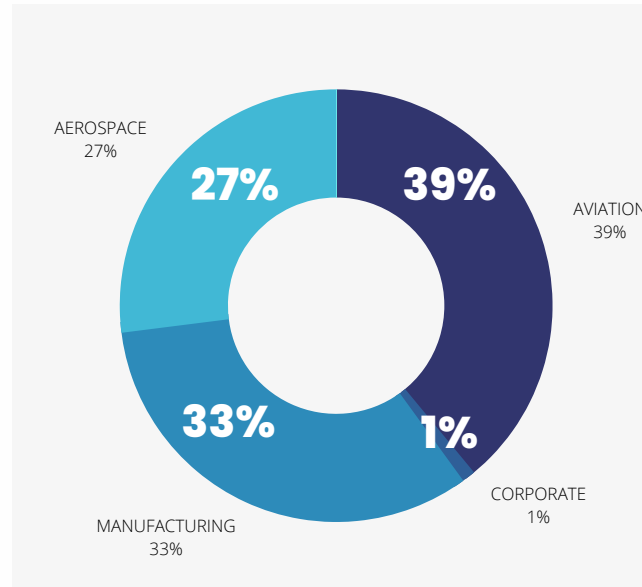
Workforce Demographics

BY GEOGRAPHY

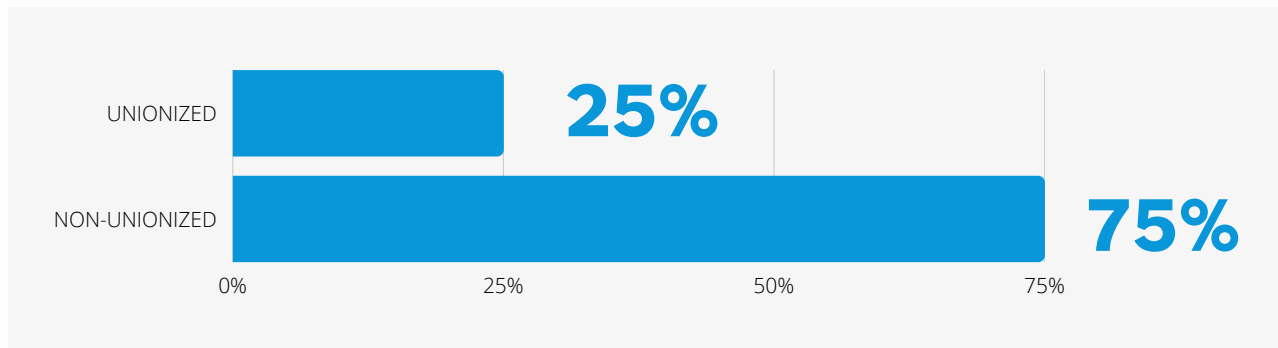
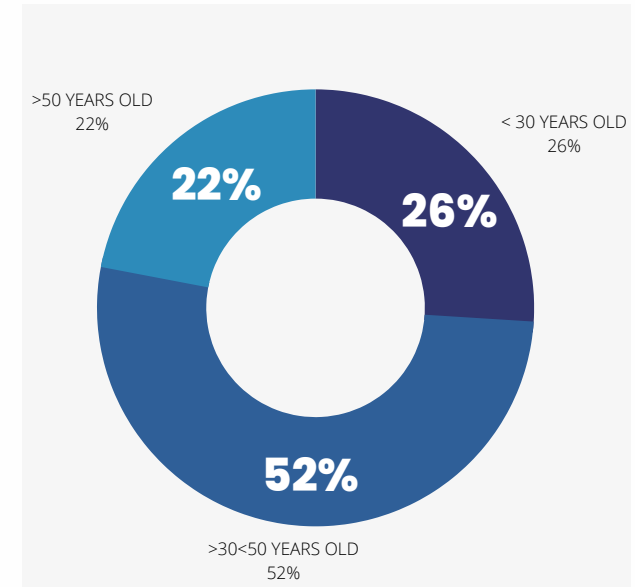
TR-AL-310a.1



BY SECTOR



BY AGE ³



UNION REPRESENTATION ^{4 5}

RT-AE/AF/EE/IG-000.B



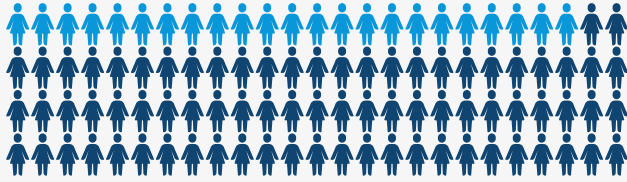
TOTAL # OF EMPLOYEES



Gender Diversity ⁶

TOTAL WORKFORCE

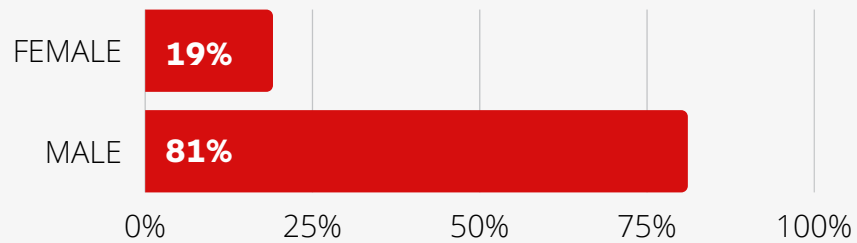
23%
FEMALE



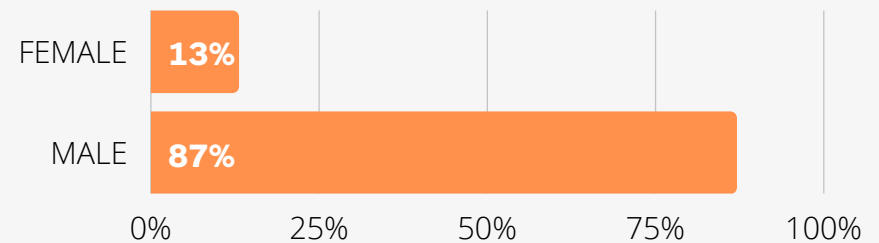
77%
MALE



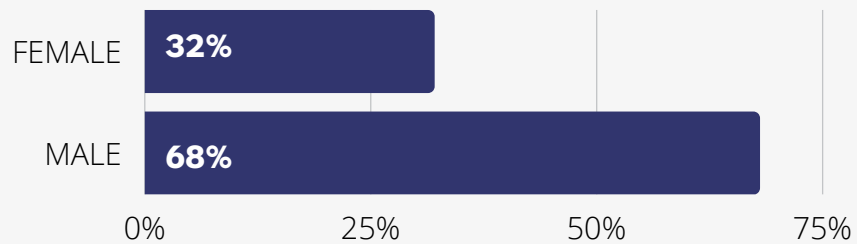
AEROSPACE



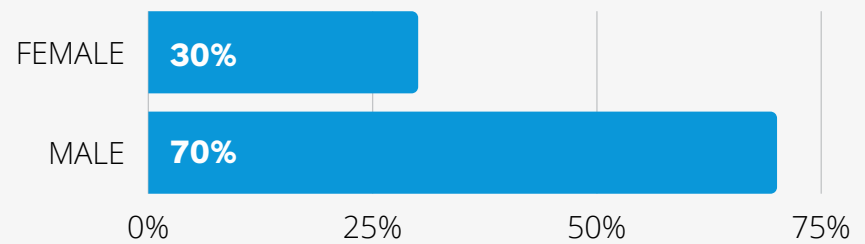
MANUFACTURING



AVIATION



CORPORATE



EIC Recognized



Kendra is the Director of Safety & Quality at Custom Helicopters. She was recently recognized by Canadian Occupational Safety for her work driving change within the EIC family of companies, through the development & implementation of work place health & safety programs and management of integrated safety management systems..

Apprenticeship Manitoba

AWARDS OF DISTINCTION

Honouring Excellence in Training & Education

EIC & Subsidiary aviation companies were presented with Employer of the Year in 2021.



WesTower employee achieves Master Electrician designation.



PAL was selected as one of Atlantic Canada's top employers for 2022.



How EIC Delivers on Commitments

LIFE IN FLIGHT

Life in Flight offers a complete path from training to an exciting career as a Pilot or Aircraft Maintenance Engineer by supporting students in their journey towards a fulfilling career, including financial support and mentorship. Visit lifeinflight.ca for more details.

DIVERSITY, EQUITY AND INCLUSION

We aim to reflect the communities we serve with a diverse workforce and equitable treatment of our employees by embedding diversity, equity and inclusion principles into who we are and how we do business.

We developed a [Diversity, Equity and Inclusion Policy](#) in 2021, in which we outlined our commitment to building a more diverse, equitable and inclusive workplace. We also have a Diversity Policy for our Board of Directors.

We believe ongoing education is a critical part of this journey. That is why, in 2022, all board members, executives and senior leadership will take diversity and inclusion training. By 2023, diversity and inclusion training will be a leadership development requirement.

Also in 2022, we will launch an employment equity self-identification questionnaire to help improve our understanding of our workplace diversity.

Gender Diversity

% Female	2019	2020	2021
Board	30%	30%	30%
Executive ⁷	18%	18%	18%
Overall ⁶	24%	22%	23%





INDIGENOUS RELATIONS

EIC's subsidiaries operate within the treaty and traditional territories of Indigenous Peoples across Canada. In connection with these operations, our Subsidiaries have longstanding relationships with Indigenous communities across Canada's north. We are committed to building respectful and mutually beneficial relationships, ensuring Indigenous Peoples have equal access to jobs and training, and developing leadership and workforce intercultural competencies.

We are committed to supporting reconciliation in Canada, guided by the United Nations Declaration on the Rights of Indigenous Peoples and the Truth and Reconciliation Commission's (TRC) Calls to Action. We have examined TRC's call to action 92 (Business and Reconciliation) and our employment practices and commit to implementing applicable aspects of the calls to action within our business operations and to promote and advance reconciliation with our employee groups and the communities we serve.

We developed an [Indigenous Relations Policy](#) in 2021, in which we outlined how we engage with Indigenous individuals, businesses and communities in Canada.



Truth and
Reconciliation
Commission of Canada

Kaila Johnston, supervisor of education at the National Centre for Truth & Reconciliation, said that what EIC is doing is exactly what the TRC's Calls to Action were looking for from business. [Read article.](#)

As a first step, we will engage an organization to provide reconciliation training that addresses the history and culture of Indigenous communities in Canada and the history of residential schools and treaties around the country.

Throughout the pandemic, EIC Subsidiaries have found ways to safely continue maintaining air access for all our pre-pandemic destinations, thus safeguarding the vital service we provide for Northern, First Nations and Indigenous communities.



How EIC Delivers On Commitments

AIR BOREALIS

Throughout PAL's history, serving destinations in Labrador and facilitating economic development by providing access to the region's important resource sector has been a key priority. PAL's growth in the region has always been built on the principle that the people of Labrador should share in the region's economic success. With that spirit in mind, PAL is a proud partner in Air Borealis, a partnership with the Innu Nation and the Nunatsiavut People built on a connection to the community, respect for the environment and commitment to their way of life in the North.

WASAYA GROUP

In 2018, EIC was proud to invest in and help facilitate the growth of the Wasaya Group, a First Nation-owned aviation company, to extend its First Nations relationship and coverage in Northwestern Ontario. A core principle of EIC is to invest in and partner with First Nations stakeholders. The partnership with Wasaya Group is a testament to this principle.

How EIC Delivers On Commitments

ATIK MASON INDIGENOUS PILOT PATHWAY

EIC was pleased to announce the Atik Mason Indigenous Pilot Pathway (the "Pathway"), in April, 2022. The Pathway is a fully funded opportunity for Indigenous community members to learn to fly and build careers as professional pilots. With the support and guidance of Manitoba Keewatinowi Okimakank Inc. (MKO), the Pathway has been designed to remove significant barriers to flight training faced by Indigenous candidates, including cost and location, and honors the importance of retaining a deep connection to Indigenous culture while training. [Read Article](#)

Fixing the issue and reconciliation has to be more than just acknowledging it. It has to be taking steps to make people's lives better.

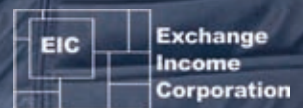
-Mike Pyle, CEO, EIC

We are proud to support this initiative as it's programs like Pathway that spark discussion, bring awareness, and help the healing that is needed.

-Grand Chief Garrison Settee, MKO



**BUDGET
FOR PROGRAM
\$1M
PER YEAR**





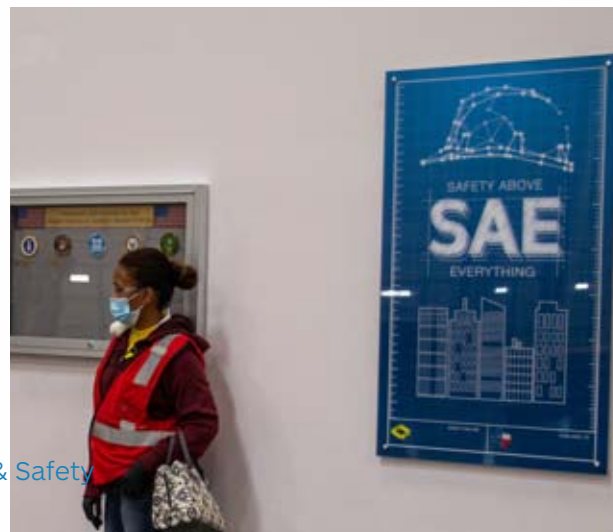
HEALTH & SAFETY

The Covid-19 pandemic has reinforced the importance of health and safety in the workplace, as well as in broader society. Providing a healthy, safe and secure work environment for all our employees is a top priority. We believe that workplace injuries are preventable and that nothing is more important than making sure our people go home to their families safely and in good health at the end of every day.

We developed a [Health and Safety Policy](#) in 2021, in which we committed to maintaining management and operational systems that provide a safe and healthy work environment for employees, contractors, customers and the community.

Our Subsidiaries have established safety committees to support the implementation and enforcement of current practices and procedures. We conduct regular safety audits to verify compliance with our standards and identify high-potential hazards for mitigation.

In relation to the COVID 19 pandemic, EIC's Subsidiaries were deemed essential services and found ways to protect the health and safety of their employees and meet obligations to customers who were counting on them for timely delivery of products and services. Initiatives included: work from home arrangements where possible, on-site vaccine clinics, provision of personal protective equipment (PPE), social distancing and cohorts for teams.





Health & Safety Data

	2019	2020	2021
Fatalities	0	0	0
TR-AF/IG-320A1			
Lost Hours/Hours Worked ⁸	0.030	0.030	0.002



QUALITY & SAFETY

We developed a [Quality & Safety Policy](#) in 2021, in which we committed to delivering high-quality products and safe and reliable flight operations, as well as fostering a culture of quality and safety throughout our company.



How EIC Delivers on Commitments

SAFETY MANAGEMENT SYSTEM - AVIATION

To improve the safety performance of Canadian air operators and increase accountability in the aviation sector, CARS require air operators to implement a Safety Management System (SMS) in their operations and appoint executives who are accountable for safety. A SMS is a systematic approach to manage safety, including through the necessary operational structures, accountabilities, policies and procedures. All EIC air operators have implemented SMS's that meet and exceed requirements of applicable laws. The SMS serves as a framework within which systematic and comprehensive processes and procedures for managing risk are developed, applied and evaluated. It also creates a common support structure for all operational groups, with clear elements and concise direction, so they perform their safety management functions effectively.

All EIC air operators have an Emergency Response Plan (ERP), that is documented, to respond to an emergency. If an accident or incident occurs the mission of the ERP is to render aid to injured parties and to prevent or minimize further personal injury or property damage.

	2019	2020	2021
Number of Incidents	1	2	1

The SMS ensures:

- Active involvement of management, employees, and health and safety committees.
- Continual development, monitoring, and improvement of effective safety practices.
- Appropriate training and education programs.
- An inspection and audit process that provides feedback and results with timely corrective action.
- A safety performance system that provides timely feedback to all employees.
- A commitment to the communication and promotion of safe work practices and processes.



How EIC Delivers on Commitments

QUALITY CERTIFICATIONS - MANUFACTURING

There are a variety of rules, standards, and guidelines governing the design, fabrication, inspection, and delivery of niche products produced by EIC manufacturing Subsidiaries.

Having the core of EIC manufacturing operations certified to various standards, such as ISO 9001, AS9100, and COR, ensures a higher caliber of product for our customers and enhances the quality of EIC's customer base.





COMMUNITY

Maintaining active community involvement has been a core focus for EIC companies since our inception. EIC and our subsidiaries are proud to support community, charitable, and not-for-profit initiatives through community partnerships, sponsorships, and customer support.

Our program objectives are as follows:

- Promote and enhance community relations
- Promote citizenship and active roles in our communities
- Support corporate objectives & EIC principles
- Promote and enhance customer relations

Several community health, and youth organizations and programs received support and contributions from EIC in 2021.

For example:

- We sponsored educational programs promoting careers in aviation for youth and Indigenous Peoples.
- We resumed our VIP experiences, wherein youth from remote Indigenous communities attend professional sporting events as an incentive to stay in school and to support mental health. This initiative also raised awareness about the National Day for Truth & Reconciliation, also known as Orange Shirt Day.



The inaugural Wayne McLeod Scholarship was presented in 2021 to a deserving youth pursuing an aviation career.



Transporting Santa to visit a community in Nunatsiavut.

Community Giving in Action

Giving back to the communities where we live, work, and play is a key principle to EIC's core values.



How EIC Delivers On Commitments

In 2017, EIC and the Winnipeg Blue Bombers started bringing members of Indigenous communities throughout Manitoba to Bomber football games at IG Field. It started with 40 guests but on October 8, 2021, 1,000 members – from all over Manitoba as well as parts of Northern Ontario and Nunavut – were invited to the game against the Edmonton Elks to recognize Orange Shirt Day.

Both teams wore orange jerseys during pre-game warmup and the practice jerseys were later auctioned off online after the game with proceeds going to each team's charity of choice. EIC covered the cost of flights, transportation and hotels for everyone in the program. We also provided guests with orange hoodies to wear on game day.

THE MARKET IS UP



Governance



2022 COMMITMENTS

- Introduce process for all employees to sign off annually on Code of Ethics
- Establish baseline for ESG reporting metrics
- Implement security frameworks - NIST, ISO27001, CIS



GOVERNANCE AND BUSINESS ETHICS

We hold ourselves to a high standard of governance and are continually taking steps to strengthen our performance and accountability.

As sustainability and ESG matters continue to rise in importance, we aim to have all employees, from leadership roles to shop floor employees, understand the importance of ESG, its relevance to our performance, and how we manage and hold ourselves accountable. In 2021 we provided ESG education to all members of our leadership team (**RT-AE-510a.3**).

The establishment of ESG metrics and measurements is a high priority. We are committed to making annual progress in this focus area, and by 2023, we will have established a baseline against which to track and review key ESG metrics. We intend to use this baseline to improve our ESG performance and strengthen our disclosure practices.

We know that compensation and incentives tied to ESG performance are important ways to ensure transparency and accountability. We will continue to refine our framework for incorporating ESG-linked incentives and compensation.

We are committed to conducting all aspects of our business with the highest levels of ethics and integrity. The relationships and trust with our employees, suppliers, customers, clients, and investors are of the utmost importance to us.

We define our values and expectations for ethical behavior in our [Code of Ethics](#). The Code is intended to promote the highest standards of integrity and accountability in the conduct of our business and guides how we put our principles of transparency, ethics, and professionalism into practice each day (**RT-EE-510a.1**).



The code includes topics such as conflicts of interest, confidentiality, anti-bribery, and corruption.

We review and update the Code annually. All employees are required to review the Code at commencement of employment. They are encouraged to ask questions or raise concerns when they are unsure if a behaviour or activity conforms to our values or our Code, and our Whistleblower policy protects employees from any retaliation. Concerns can be raised anonymously if preferred, through our confidential whistleblower hotline. Reports of potential breaches of our Code are investigated by the appropriate committee.

By 2023, all employees will be required to sign off annually on our [Code of Ethics](#) and related policies such as our anti-corruption and whistleblower policies.

For more details about our governance practices, refer to the Sustainability Governance section of this report and our most recent [Management Information Circular](#).

How EIC Delivers On Commitments



- ✓ Separate Chair & CEO
- ✓ Independent Chair
- ✓ Say on Pay Advisory Vote
- ✓ Independent Committees
- ✓ Board Assessment Process
- ✓ Director share ownership requirement
- ✓ Annual Election of Directors
- ✓ Environment & Social Oversight
- ✓ Diversity Policy

10



NUMBER OF DIRECTORS

80%



INDEPENDANT DIRECTORS

30%



GENDER DIVERSITY

100%



ATTENDANCE IN 2021



DATA PRIVACY AND CYBERSECURITY

RT-AE-230A.2

EIC has established Data Privacy and [Cybersecurity policies](#) that include guidelines and provisions for preserving the security of our data and technology infrastructure.

In an age of constant technological advancement and an ever-changing threat landscape, it is essential we keep up with the latest in security management and act proactively to improve. We have established a robust data privacy and cybersecurity strategy, which enables us to further strengthen our cybersecurity measures while remaining agile in identifying and responding to new developments and threats as they arise.

We understand the more we rely on technology to collect, store and manage information, the more vulnerable we can become to security breaches. For this reason, we have outlined considerable security measures in our mobile device usage, social media and email/Internet usage policies to provide EIC

team members with instructions on how to protect personal and company devices, safely use email, manage passwords and transfer data securely.

EIC has established a group Data Privacy policy outlining our commitment to comply with all applicable privacy laws where we conduct business.

We have taken additional measures to implement a Privacy and Data Security Incident Response Plan that outlines workforce responsibilities and how to report any suspected incidents. Regular training is provided to employees regarding how to detect scam and phishing emails, and we encourage our employees to reach out to EIC's legal and IT departments with questions or concerns.



100% of employees with access to company issued assets received security & phishing training. This represents 88% of total employees.⁹

A photograph of a warehouse worker operating a forklift in a storage aisle. The worker is wearing a dark blue shirt and light-colored shorts. The forklift is orange and black, with "B3/30" visible on its side. The shelves are filled with large cardboard boxes, many of which have "Regional One" written on them in blue marker. The entire image has a blue tint.

Appendices

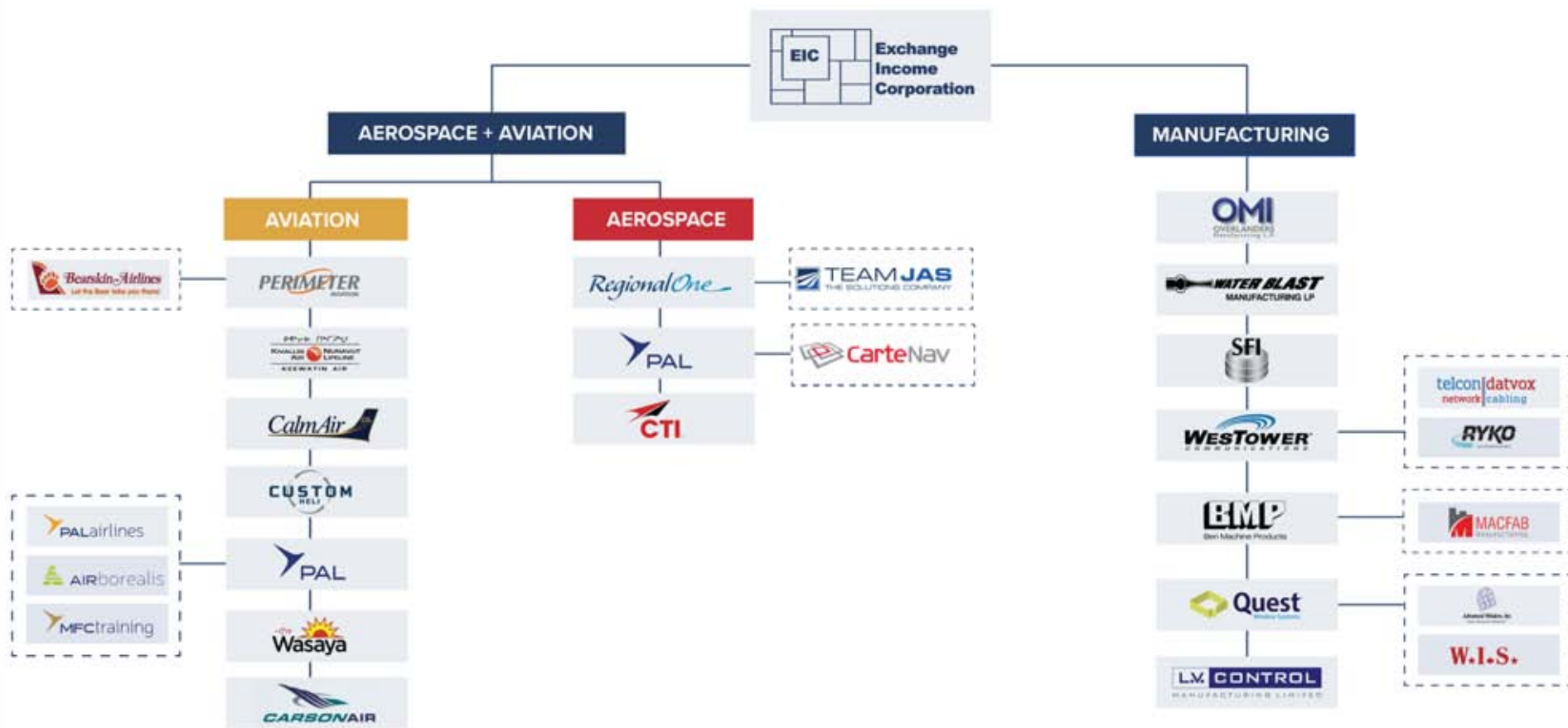


REPORTING

We are committed to continuous improvements in transparency and reporting on our sustainability progress.

- This year, we began to disclose relevant ESG metrics, where available, according to the SASB framework. We will continue to work with subsidiaries to improve the availability of material ESG data and provide alignment with relevant ESG reporting standards.
- We will continue to engage with internal and external stakeholders to identify opportunities to improve our ESG reporting and disclosures. In addition, we will continue to work to align with international ESG reporting standards, including SASB, TCFD and the GRI.

As a result of data coverage and quality improvements, a limited number of past performance figures published in our 2021 report have been restated, and these are clarified in our footnotes. The reported data include some estimates, none of which are believed to be material. Because of the affects of the COVID19 pandemic, year over year numbers should not be interpreted as representative trends.



EIC Family of Companies

1. Perimeter Aviation Ltd. ("Perimeter") purchased *May, 2004*
2. Keewatin Air Limited ("Keewatin") purchased *July, 2005*
3. Overlanders Manufacturing Inc. ("Overlanders") purchased *October, 2006*
4. Water Blast Group ("Water Blast") purchased *March, 2007*
5. Stainless Fabrication, Inc. ("Stainless") purchased *January, 2008*
6. Calm Air International Ltd. ("Calm Air") purchased *April, 2009*
7. Bearskin Airlines, a division of Perimeter, purchased *January, 2011*
8. WesTower Communications Ltd. ("WesTower") purchased *April, 2011*
9. Custom Helicopters Ltd. ("Custom Helicopters") purchased *February, 2012*
10. Regional One, Inc. ("Regional One") purchased *April, 2013*
11. PAL Group of Companies ("PAL") purchased *January, 2015*
12. Ben Machine Products Ltd. ("Ben Machine") purchased *July, 2015*
13. CarteNav Solutions Inc. ("CarteNav") purchased *August, 2016*
14. Team J.A.S. Inc. ("Team JAS") purchased *November, 2016*
15. Quest Window Systems Ltd. ("Quest") purchased *November, 2017*
16. L.V. Control Manufacturing Limited ("L.V. Control") purchased *October, 2019*
17. Advanced Window Inc. ("AWI") purchased *October, 2019*
18. Window Installation Specialists, Inc. ("WIS") purchased *August, 2020*
19. Carson Air Ltd. ("Carson Air") purchased *July, 2021*
20. Macfab Manufacturing Inc. ("Macfab") purchased *August, 2021*
21. Telcon Datvox Inc. ("Telcon") purchased *November, 2021*
22. Ryko Telecommunications Inc. ("Ryko") purchased *December, 2021*
23. Crew Training International, Inc. ("CTI") purchased *December, 2021*

Footnotes

- 1.Data is limited to entities for which EIC owns 100% of as of December 31, 2021. Partnerships with Wasaya Airways and Air Borealis are not included in the data.
- 2.Does not include CTI or Carson Air. Will be amended going forward.
- 3.Does not include CTI or Ben Machine.
- 4.PAL ratified several union agreements subsequent to December 31, 2021.
- 5.Does not include CTI or Ben Machine. CTI has some union employees. Ben Machine has no union employees.
- 6.Does not include CTI or Ben Machine.
- 7.Data in 2019 and 2020 were adjusted to reflect change in position titles in 2021.
- 8.Does not include CTI.
- 9.Does not include entities purchased after July 31, 2021, including Macfab, Telcon, Ryko or CTI.



FORWARD LOOKING STATEMENTS

This report and the documents incorporated by reference herein contain forward-looking statements. All statements other than statements of historical fact contained in this report and the documents incorporated by reference herein are forward-looking statements, including, without limitation, statements regarding the future financial position, business strategy, completed and potential acquisitions and the potential impact of such completed and/or potential acquisitions on the operations, financial condition, capital resources and business of the Corporation and/or its subsidiaries, the Corporation's policy with respect to the amount and/or frequency of dividends, budgets, litigation, projected costs and plans and objectives of or involving the Corporation or its subsidiaries or any businesses to potentially be acquired by the Corporation. Prospective investors can identify many of these statements by looking for words such as "believes", "expects", "will", "may", "intends", "projects", "anticipates", "plans", "estimates", "continues" and similar words or the negative thereof.

Forward-looking statements are necessarily based upon a number of expectations or assumptions that, while considered reasonable by management at the time the statements are made, are inherently subject to significant business, economic and competitive uncertainties and contingencies. Readers are cautioned to not place undue reliance on forward-looking statements which only speak as to the date they are made. Although management believes that the expectations and assumptions underlying such forward-looking statements are reasonable, there can be no assurance that such expectations or assumptions will prove to be correct. A number of factors could cause actual future results, performance, achievements, and developments of the Corporation and/or its subsidiaries to differ materially from anticipated results, performance, achievements, and developments expressed or implied by such forward-looking statements. Such factors include, but are not limited to: COVID-19 related risks; economic and geopolitical conditions; competition; government funding for First Nations health care; access to capital; market trends and innovation; general uninsured loss; climate; acts of terrorism; pandemic; level and timing of defence spending; government funded defence and security programs; significant contracts and customers; operational performance and growth; laws, regulations and standards; acquisition risk; concentration and diversification risk; maintenance costs; access to parts and relationships with key suppliers; casualty losses; environmental liability risks; dependence on information systems and technology; international operations risks; fluctuations in sales prices of aviation related assets; fluctuations in purchase prices of aviation related assets; warranty risk; performance guarantees; global offset risk; intellectual property risk; availability of future financing; income tax matters; commodity risk; foreign exchange; interest rates; credit facility and the trust indentures; dividends; unpredictability and volatility of prices of securities; dilution risk; credit risk; reliance on key personnel; employees and labour relations; and conflicts of interest. A further discussion of these risks is included in Section 11 – Risk Factors of the Management Discussion & Analysis.

The information contained or incorporated by reference in this report identifies additional factors that could affect the operating results and performance of the Corporation and its subsidiaries. Assumptions about the performance of the businesses of the Corporation and its subsidiaries are considered in setting the business plan for the Corporation and its subsidiaries and in setting financial targets. Should one or more of the risks materialize or the assumptions prove incorrect, actual results, performance, or achievements of the Corporation and its subsidiaries may vary materially from those described in forward-looking statements.

The forward-looking statements contained herein or contained in a document incorporated by reference herein are expressly qualified in their entirety by this cautionary statement. The forward-looking statements included or incorporated by reference in this report are made as of the date of this report or such other date specified in such statement. Except as required by law, the Corporation disclaims any obligation to update any forward-looking information, estimates or opinions, future events or results, or otherwise.







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