

SUSTAINABILITY REPORT 2022



Executive summary





Pedro Heilbron
CEO

Message from the CEO

During 2022, the Aviation Industry continued to reactivate and adapt to the “new normal” after suffering the impacts of the COVID-19 pandemic. We started the year with great positivism, although, the omicron variant continued to impact the aviation industry and our operations, during the first months of the year. However, throughout the remainder of the year we continued focused on our recovery, managing to grow in capacity to 2019 levels by the end of the year.

Moreover, the the war between Russia and Ukraine represented one of the bbiggest challenges experienced during the year, generating a meaningful increase in jet fuel prices. Additionally, disruptions in the global supply chain affected aircraft deliveries schedules among other industry suppliers.

I would like to highlight that, at Copa Airlines, we have been able to adapt and manage throughthese situations that directly impacted our operation in 2022, thanks to the commitment and dedication of our personnel.

Following this introductory context, I am pleased to present a summary of our efforts in Sustainability at Copa Airlines for 2022, as well as our contribution to the environmental, social, and corporate governance (ESG) pillars and the progress that we have achieved in each of them.

We have a diverse team composed of more than 7,200 employees, which represents a 19% increase in our workforce compared to the previous year. With the recovery of the Company, in terms of capacity increase, new opportunities arose for our employees. At the beginning of 2022, we managed to reactivate the entire pool of pilots and crew that were on furlough since the start of the pandemic, and throughout the year 697 employees were promoted through internal recruitment processes.

These included 59 promotions to captain and 334 from Economy Class cabin crew to Business Classcabin crew and Head of Cabin Service.

Moreover, we committed to the International Air Transport Association (IATA) “25 by 2025” objective, an initiative that aims to promote gender diversity in the aeronautics industry and the rise of women in non-traditional positions.

We have seen an increase in the presence of women pilots in our staff, from 9% in 2021 to 11% in 2022, among the highest in the industry. , We reached 7% of women in our aeronautical technical positions and now, over 40% ofour managerial positions are occupied by women.

In the environmental sphere, we have made progress in our commitment to reduce our carbon footprint and adopt sustainable practices. We established a sustainability policy and a target to reduce 14% of CO₂ emissions per seat-mile by 2026 compared to 2019. The addition of new generation aircraft, such as the Boeing 737 MAX received in 2022, continues to improve our fleet’s efficiency and to reduce overall CO₂ emissions.

We implemented the use of solar energy in our facilities and we reduced single-use plastics on board, in addition to maintaining our recycling program for in-flight and for waste generated by the operation. However, we recognize that achieving our goal of being Carbon Neutral by 2050, requires the commitment of governments, regulators, manufacturers, and suppliers to ensure access to and supply of SAF as well as the development of new aviation technologies and carbon offset projects.

We will work to become a model airline in sustainability and to contribute to a greener and more sustainable future with the collaboration of all actors involved.

As for our social commitment, we’re seeking to improve the quality of life of people in Panama and other countries where we have a presence through social programs and projects. We have various social impact initiatives focused on supporting children, education, and health. In collaboration with the Despega Foundation, in the last 10 years, we have succeeded in making an impact on more than 500,000 people’s lives, directly and indirectly, through 15 foundations and non-governmental organizations (NGOs) that we support.

We also faced important challenges in this highly dynamic and changing industry in 2023. In addition to this, there is the fragility of the economies in Latin America and the anticipated recession, as well as high fuel costs and a dynamic competitive environment.

I am confident that by working as a team, guided by our purpose and values, and focusing on our objectives, we will succeed in keeping Copa aligned with its vision of remaining the leading airline in the region and the preferred choice as we connect the main cities of Central, South, North America and the Caribbean. We have a dedicated and committed team, who will continue to grow along with our airline.

Finally, I am grateful for the trust and support of our shareholders, Board of Directors, customers, and employees of Copa Airlines. You can rest assured that we will continue to work with commitment, dedication, and passion to guarantee the sustainable growth of Copa Airlines as well as the Company’s contribution to all those who depend on it.

Who we are?

At **Copa Airlines**, we contribute to connecting the Americas. Our flights shorten distances and connect the entire continent; we make it easier for families to stay together, for people to enjoy the wonders of our region, for communities to grow and develop, for businesses and professionals to thrive, and for human beings to benefit, offering the highest levels of service and the best on-time performance in the world.

We offer passenger and cargo services through our two main operating subsidiaries, Copa Airlines and Wingo.



Copa Airlines, operates from its strategically located position in the Republic of Panama, with the Hub of the Americas®, which is the main hub for international flights.



Wingo, operates a low-cost business model, mainly in Colombia and various cities in the region.



In 2022, Copa Airlines proudly celebrated its 75th anniversary connecting to America.

OUR VISION
TO BE THE
LEADING
AIRLINE
IN LATIN
AMERICAN
AVIATION

AND THE
PREFERRED
CONNECTION
THROUGH
PANAMA
BY UNITING
THE MAIN
CITIES OF
NORTH,
SOUTH,
CENTRAL
AMERICA
AND THE
CARIBBEAN



Main strengths

Below, we highlight our main strengths that have allowed us to reach an exclusive position within the industry in which we operate:



Strategic location of the Hub of the Americas®.



We focus on keeping our operating costs low.



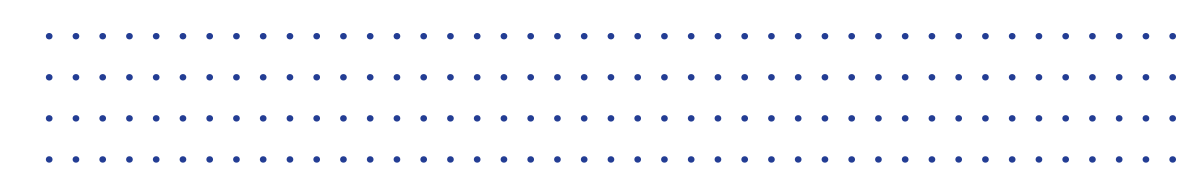
We operate a modern fleet.



We believe that Copa is a robust brand and has a reputation for quality service.



Our management fosters a culture of teamwork and continuous improvement.



Key operational data 2022

SASB (TR-AL-000.A, TR-AL-000.B, TR-AL-000.C, TR-AL-000.E, TR-AL-000.F)

Throughout 2022, we continued to operate efficiently and we kept up with the the recovery of the sector after the COVID-19 pandemic. Our aim was to rebuild our network of destinations to continue pursuing our goal of connecting America.

We operate a fleet of **97 aircraft**, with an average age of **9.5 years**



We moved over **13 million** passengers with our 327 daily flights during 2022.



We have an on-time arrival rate of over **90%**

AIRCRAFT TYPE	2019	2022
COPA AIRLINES	98	87
737 MAX-9 166/174 Pax	6	20
737-800 154/160/166 Pax	64	58
737-700 124 Pax	14	9
EMB-190 94 Pax	14	0
Wingo 737-800 186 Pax	4	9
Cargo 737-800	0	1
Copa Holdings Total	102	97

In 2022, Copa Airlines was recognized by Skytrax as the “Best Airline in Central America and the Caribbean” and for the seventh consecutive year for “Best Airline Staff in Central America and the Caribbean”.

KEY OPERATIONAL DATA

	2019	2021	2022	VARIATION 19-22
Passengers (Millions)	14.5	9.5	15.7	8%
ASM (MM) ¹	25,113	14,934	24,430	-2.7%
RPM (MM) ²	21,295	11,738	20,790	-2.4%
Occupancy factor ³	84.8%	78.6%	85.1%	0.3 pp

- 1 ASM (Available Seat Mile): It refers to the number of seats available on our aircraft multiplied by the number of miles the seats fly.
2 RPM (revenue passenger miles): They are defined as the cumulative total of miles traveled by paying passengers.
3 Occupancy Factor: It is the ratio of the Available Seat Mile (ASM) number divided by passenger revenue by miles flown (RPM).

Women represent
34%
of our workforce.

65.4%
of our employees falls under a collective bargaining agreement.

65% of our employees belong to the 30 to 50 age range.

85.2%
of the employees of the Company are based in Panama.

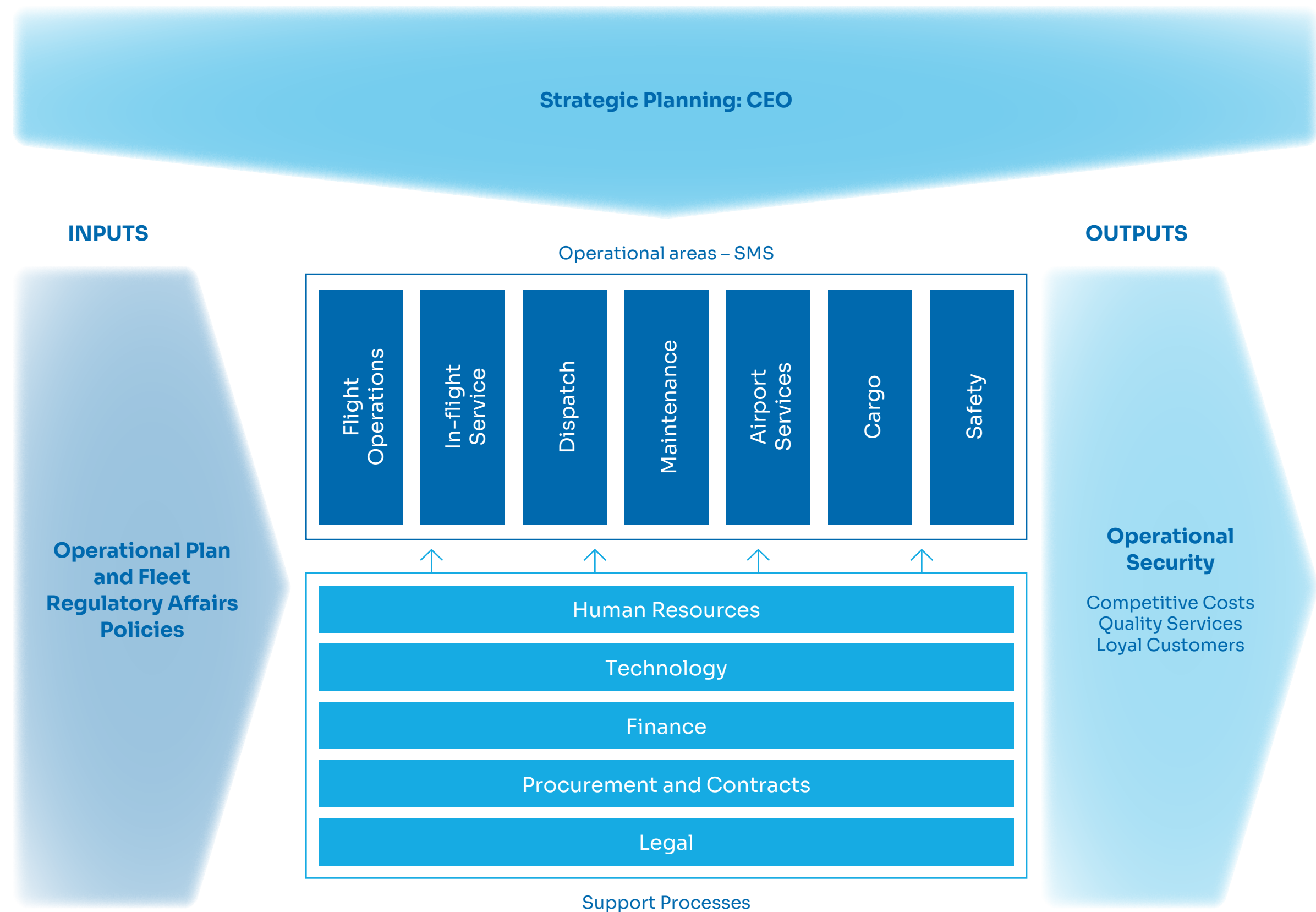
We grew our workforce by
19%
versus the previous year.

697 internal promotions.

Operational safety

The **health and safety** of our employees and customers is our greatest responsibility, this is present in everything we do and in the way we do it, ensuring their integrity and well-being when using our services and within the operations of the company and its subsidiaries.

We have a Safety Management System (SMS), which is designed to continuously measure and monitor operational safety by identifying hazards, collecting, and analyzing data, and continuously assessing latent and potential risks. It is established by the Chief Executive Officer and involves the company's operational areas that interact with the teams within the various facilities where the company operates. The operational areas of the SMS are shown in the following chart:

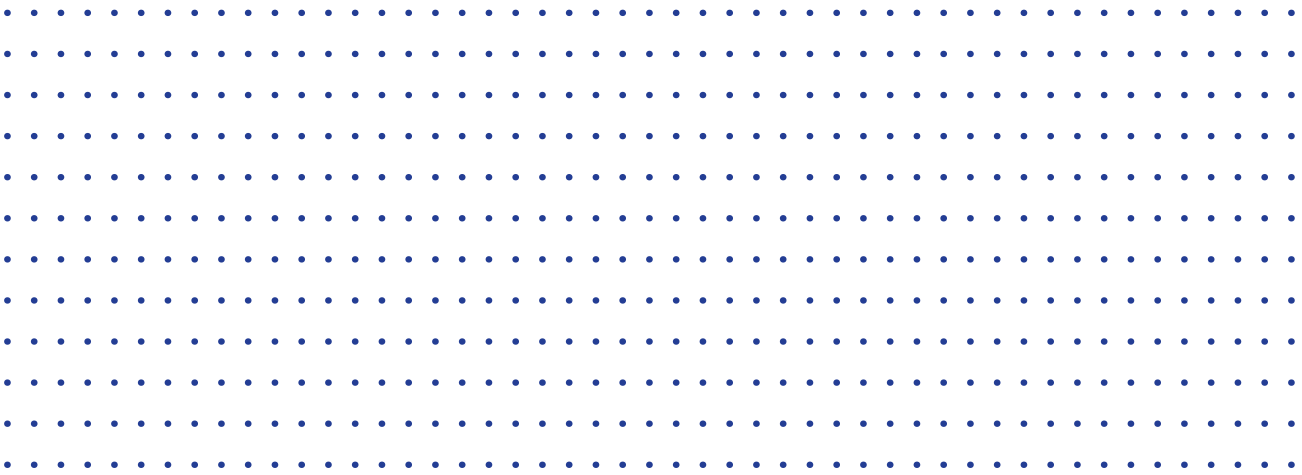


ESG performance 2022

SASB (TR-AL-110a.1, TR-AL-110a.2, TR-AL-110a.3, TR-AL-310a.1, TR-AL-540a.1

Below, we present more details about our performance in the environmental, social and governance (ESG) pillars of Copa Airlines:

PERFORMANCE 2022 IN THE STRATEGIC PILLARS OF COPA AIRLINES		
GOVERNANCE	SOCIAL	ENVIRONMENTAL
<div><div></div><div>Corporate training related to the Code of Ethics and Emergency Response within Copa Academy were strengthened and digitalized.</div></div> <div><div></div><div>The Nominations and Governance Committee of the Board of Directors increased its responsibilities to oversee the ESG (Environmental, Social and Governance) performance of Copa Airlines.</div></div> <div><div></div><div>The governance of the Sustainability Committee was formalized, and social and environmental reports were published with double materiality standards.</div></div> <div><div></div><div>The Environmental Sustainability Policy was published, representing a commitment to Carbon Neutrality by 2050 and establishing emission reduction metrics until 2026.</div></div> <div><div></div><div>The ELEVA Program was strengthened with our commitments towards diversity, inclusion and equality.</div></div>	<div><div></div><div>Professional Wellbeing and Growth</div><div>The talent that makes up Copa Airlines is the engine that has enabled us to continue flying to connect more and more destinations and people. We know that the well-being and satisfaction of our employees is key to business continuity, so we ensure there are opportunities for growth following a culture of ethics, integrity and respect. In addition, we care about the mental and physical health of each of them, and we have robust operational safety processes and wellbeing programs that seek to reconcile the family and personal life of our workers.</div><div><div></div><div>We have a team of 7,265 employees.</div></div><div><div></div><div>We have increased the percentage of women pilots from 9% to 11%; of women mechanical and aeronautical engineers from 7% to 8%, and we have more than 40% of women in managerial positions.</div></div><div><div></div><div>The year 2022 marked a milestone with 929 promotions, the highest number in the company's history.</div></div><div><div></div><div>We have invested over 1 million dollars (USD) to strengthen the Latin American Academy of Higher Aviation (ALAS) (800K) and the Academy of Aeronautical Technicians (ATA) (200K) for the generation of future Panamanian pilots and mechanics.</div></div><div><div></div><div>Through our e-learning platform, Copa Academy, more than 1,900 employees have completed courses related to continuous improvement tools such as Agilism, SCRUM, Excel, among others.</div></div><div><div></div><div>16% of the first officers who have been promoted to captains are women.</div></div><div><div></div><div>We have 30 persons with disabilities in various.</div></div></div> <div><div></div><div>Integral Development of Communities</div><div>Our social commitment materializes through the Despega Foundation, with which we collaborate to carry out our social impact programs. In addition to Copa Airlines' own initiatives.</div><div><div></div><div>We have had an impact on more than 500,000 people over the course of 10 years, thanks to the Tech Ops Cup Golf Tournament initiative</div></div><div><div></div><div>More than 17,000 people have benefited thanks to Copa Airlines donations.</div></div><div><div></div><div>Our education and care programs have benefited 5,000 children at social risk, with disabilities or without parental care.</div></div><div><div></div><div>We have donated more than 70 airline tickets for medical emergencies.</div></div><div><div></div><div>We carried out 8 academic tours with the participation of more than 400 students.</div></div><div><div></div><div>The #todopanamá program has benefited over 2,000 students in Tocumen.</div></div><div><div></div><div>130 children took part in the Unforgettable Trip (Viaje Inolvidable) of 2022.</div></div><div><div></div><div>We have the Donate Miles program in which passengers donate their miles, contributing to NGOs such as Make a Wish and Gift of Life.</div></div><div><div></div><div>In partnership with the United Fund of Panama, we continue to work on Early Childhood and teacher training programs.</div></div></div>	<div><div></div><div>We reduced the consumption of energy from fossil sources in our hangar by approximately 15% thanks to the placement and use of solar panels.</div></div> <div><div></div><div>We reduced our emissions by 8% versus 2019 thanks to our fleet renewal plan with Boeing 737 Max aircraft.</div></div> <div><div></div><div>To demonstrate the effectiveness and viability of sustainable initiatives, during 2022 we used 39,000 pounds (approximately 17,690 kilos) of SAF on a demonstration commercial flight between Los Angeles and Panama.</div></div> <div><div></div><div>We purchased 10 electric baggage tractors for GSE, resulting in a reduction of 157 tons of CO₂ emissions.</div></div> <div><div></div><div>We prevented the emission of 153 tons of CO₂ thanks to the use of solar energy.</div></div> <div><div></div><div>We have effectively managed a total of 24,570 kilograms of chemical waste from aircraft maintenance operations.</div></div> <div><div></div><div>The treatment of collected water allowed us to recover 348,703 gallons of water which we restored to nature.</div></div> <div><div></div><div>We reduced the consumption of single-use plastic on board by 2.6 million units of cups which we replaced with sugarcane bagasse cups.</div></div>



Below is the breakdown of the GHG emissions Scope 1 and 2:

DIRECT EMISSIONS SCOPE 1 (tCO ₂ eq)			
	2020	2021	2022
Air operation (Use of Jet A1 fuel)	879,804.72	1,693,855.65	2,792,340.61
Ground operation (Diesel and gasoline ATOs and administration)	2,308.65	4,878.10	4,525.76
TOTAL	882,113.36	1,698,733.75	2,796,866.37

INDIRECT EMISSIONS SCOPE 2 (tCO ₂ eq)			
	2020	2021	2022
Use of electricity	4,189.72	4,786.12	5,506.66

TOTAL EMISSIONS			
UNIT	2020	2021	2022
tCO ₂ eq	886,303.09	1,703,519.87	2,802,373.03

	2020	2021	2022
Emission intensity (tonCO ₂ eq/ASK*)	0.07543	0.07088	0.07128

* Kilometers per available seat (ASK)
ASM = 24,430
ASK= 39316.274



Throughout the year we showed a positive performance fulfilling the objectives of the Road to Success (Ruta al Éxito) 2022, thus proving that teamwork makes a difference.

We still have important challenges to face to maintain the competitiveness of the business and the responsible and sustainable growth of the company over time, so we are setting our sights on a prosperous future that positively impacts the development of Panama and the regions where we have a presence.

We are always looking for continuous improvement, so we have started 2023 with solid operational indicators, maintaining our commitment to sustainable development and demonstrating Copa Airlines’ responsibility to its environment.

Distinctions 2023



The international air transport rating organization, Skytrax Research, conducted a customer service survey between September 2021 and August 2022. More than 13 million people from over 100 nationalities participated in this survey, in order to establish the best airlines in various categories, from a group of more than 350 rated airlines. The awards are considered one of the most prestigious in the aviation industry and were presented in London, United Kingdom.

It is a source of pride to announce that we were recognized for the seventh consecutive year by Skytrax as the best airline in Central America and the Caribbean. We also received the distinction for being the best airline staff in this region.

We started 2022 with the news that in 2021 Copa Airlines was the most punctual airline in Latin America for the eighth consecutive time and the most punctual in the whole of America, also above U.S. airlines, with an on-time arrival rate above 90%.



Indicators for the Preparation of the Report

This report has been prepared in accordance with the Standards of the Global Reporting Initiative (GRI) for the period from January 1 to December 31, 2022. In addition, in order to meet the expectations of our shareholders and investors, we have adopted the Sustainability Accounting Standards Board (SASB) standards to present information that has an impact on the company’s financial performance, specifically for the industry of: Airlines.

Table of SASB indicators

Below, we report the SASB table of indicators for our investors.

SECTOR	ITEM	CODE	DESCRIPTION	RESPONSE	OMISSION
AIRLINES	Activity parameters	TR-AL-000.A	Available seat kilometers (ASK)	11, 70	
	Activity parameters	TR-AL-000.B	Seat occupancy rate	11, 70	
	Activity parameters	TR-AL-000.C	Revenue per passenger kilometer (RPK)	11, 70	
	Activity parameters	TR-AL-000.D	Revenue per ton/kilometer (RTK)		Not available
	Activity parameters	TR-AL-000.E	Number of departures	11	
	Activity parameters	TR-AL-000.F	Mean age of the fleet	10	
	Greenhouse gas emission	TR-AL-110a.1	Gross global emissions scope 1	61	
		TR-AL-110a.2	Analysis of the long- and short-term strategy or plan for managing Scope 1 emissions, emission reduction targets and analysis of the results in relation to those targets	61	
		TR-AL-110a.3	Fuel consumed by (2) air transport, percentage (a) alternative and (b) sustainable fuels	61	
	Work practices	TR-AL-310a.1	Percentage of the active workforce covered by collective labor agreements	50	
		TR-AL-310a.2	(1) Number of work interruptions and (2) total days of inactivity		Not available
	Unfair competition	TR-AL-520a.1	Total amount of monetary losses as a result of court proceedings related to unfair competition rules	28	
	Accidents and safety management	TR-AL-540a.1	Description of the enforcement and results of a safety management system	41	
		TR-AL-540a.2	Number of aviation accidents	41	
		TR-AL-540a.3	Number of government measures to implement aviation safety regulations	41	



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