

CopaAirlines 

A STAR ALLIANCE MEMBER 



2017 SUSTAINABILITY REPORT



CopaAirlines 

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2017 Sustainability Report
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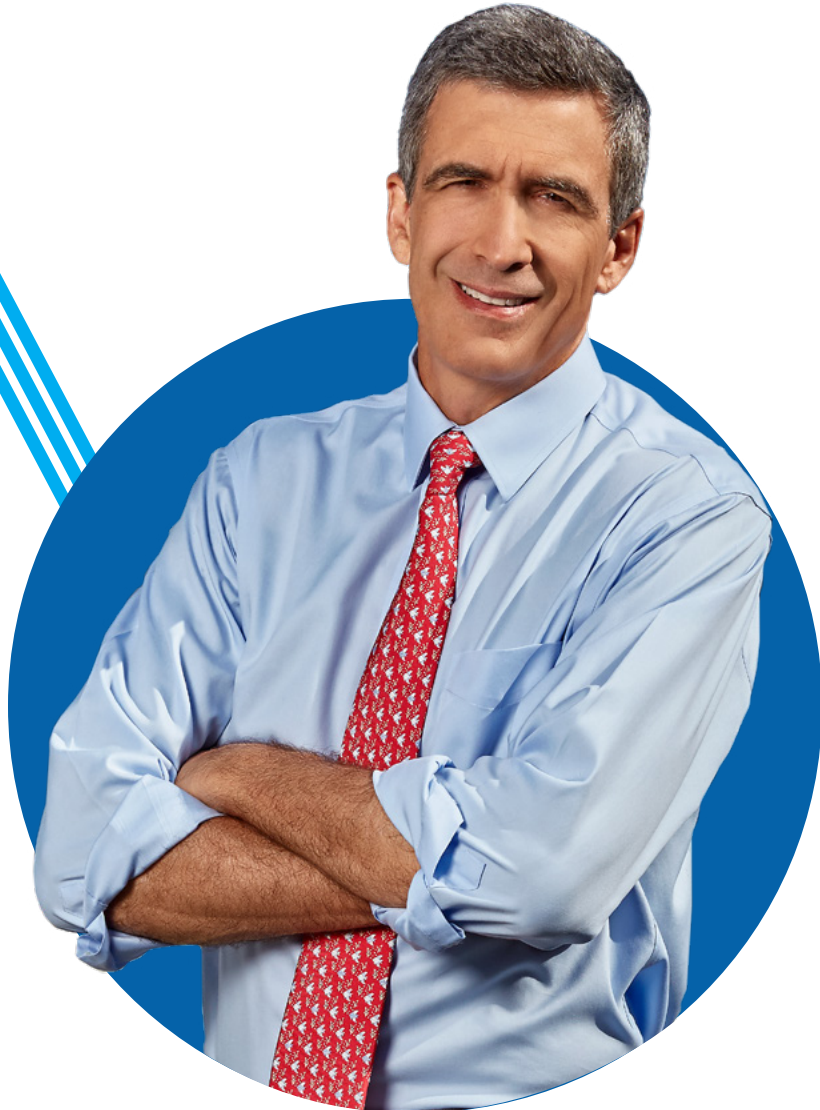
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**PEDRO HEILBRON**

Chief Executive Officer

A MESSAGE FROM OUR CEO

We are continuously committed to developing our employees and make our country fly high, honoring its historical role as a “bridge for the world”

I AM PLEASED TO SHARE WITH YOU our 2017 Sustainability Report. This report not only gives an account of the company's economic performance, but also of the management of our environmental and social impact.

2017 was a year full of extraneous challenges that affected our operation. Nonetheless, we were again recognized for our punctuality, obtaining the first place in Latin America and the fourth in the world. Likewise, our sales and revenue indicators were above expectations, thanks to the commitment of our nearly 9,000 employees, who are key to our success.

In 2017 we celebrated 70 years connecting countries throughout the American continent, and we added two new travel destinations - Denver and Mendoza - to our extensive network that reaches 75 countries in the region.

Copa Airlines has always had a significant impact on the professional and personal

lives of many people. This past year, the region faced a number of natural disasters, and Copa, besides connecting cities and shortening distances to bring people closer, also provided humanitarian support to our brotherly nations affected by adverse weather conditions.

Our employees are aware that with their daily work, they help make possible for families to get closer, for more people to visit and enjoy the wonders of our region, for communities to grow and develop, for businesses and professionals to thrive and for human beings to reap these benefits.

On behalf of the Board of Directors, I would like to recognize and congratulate everyone at Copa, whom we have to thank for a good year. They show us, day after day, with their dedication, professionalism and passion, that anything is possible.

Our journey continues into the future, each year renewing our commitment

to offer the highest levels of service and the best punctuality in the world, thanks to an efficient business model based on economic, social and environmental sustainability.

I would like to invite you to read the report you have in your hands, where you can find information describing in detail how we are working as a team to manage our impacts responsibly and keep Copa Airlines on the “Route to Success”, so that we may continue being the leading airline in Latin American aviation and the preferred connection through the Hub of the Americas.



ABOUT COPA AIRLINES

2017 IN NUMBERS

An overview of our management of economic, social and environmental impacts

Our Operation

More than **50,000** direct jobs and more than **200,000** jobs related to aviation's impact (tourism)

80 destinations in **32** countries

- Headquarters in Panama City
- 68 ticket offices, domestic and international
- Our Hub of the Americas is located at Tocumen International Airport in Panama

More than one billion in the aviation sector's direct contributions

Our Fleet

100 Aircraft with cutting-edge technology



- We are the first airline in the region to operate the 737 MAX 10 in long routes to South and North America.
- We will be the first airline in the region to operate the 737 MAX 9, committed to taking care of the environment and operational efficiency.

Our People



9,237 employees

- **9%** of our pilots are women
- **42%** of our managerial positions are occupied by women
- **More than 300** employees have benefitted from our Employee Support program
- **29** first officers graduated as commercial aviation captains, of whom 20% are women

Environmental Responsibility

We have succeeded in reducing our fuel consumption up until 5% by stretch flown in the past 5 years.

289.8 tons of recycled material

8,550 gallons of hydrocarbons collected and treated

469,850 gallons of oily water collected and treated

3,500 trees saved thanks to our environmental programs

More than **600 thousand** kw/h of energy and **11 million** liters of water saved thanks to our programs to reduce raw material consumption.

Commitment to the Community

15,000 people reached through educational and social projects

Work with more than **70** NGOs

- 65 students have graduated from our Academia Latinoamericana de Aviación Superior (ALAS) since its opening and 35 technicians have graduated from our Academia de Técnicos Aeronáuticos (ATA)

Contribution to the Economy

14.8%

was our contribution to Panama's GDP

World-Class Service

86.8%



ARRIVALS ON TIME

We are the most on time airline in Latin America and are among the four most punctual in the world.

We implemented a new codeshare agreement with Turkish Airlines, to offer more flight and connection options to our passengers.

99.38% completion factor

Tests with SENADIS personnel on purchase processes, web check-in and boarding for people with disabilities.

We established Gold Track Access for preferential access and fast security control for our passengers at Tocumen International Airport.

CORPORATE PROFILE

In 2017 we celebrated seven decades of successfully connecting people and destinations throughout the length and breadth of American continent. These have been 70 years of constant evolution and growth, contributing to the development of Panama, by strengthening its role as a strategic axis and as a leading nation in regional connectivity and logistics.

Today, our region enjoys unparalleled connectivity and we are proud to be an instrumental piece in strengthening this competitive advantage of our country. That's why, every day we work with focus and dedication to shorten distances and facilitate the transportation of so many passengers, who, for personal or business reasons, safely cross the skies of America with us.

Our headquarters are located in Panama City, in the Costa del Este Industrial Park, only six miles away from Tocumen International Airport, from where we operate our Hub of the Americas, an efficient Inter-American connection center, offering convenient flight schedules and uninterrupted service from one end of the continent to the other.

In 2017, we transported 13.5 million passengers to through the Hub of the Americas to 75 destinations in 31 countries with an average of 120,000 annual flights made through the region.



From our headquarters in Panama, we also operate our **System Operations Control Center**: the synergic, logistical and statistical core of our operations. There, a group of multidisciplinary specialists work daily to meet the needs of the 122,000 flights that we operate and attend to all the eventualities that a flight may face: ranging from flight schedules, to the redirection of passengers to ensure that they reach their destination safely and on time, with the world-class service that characterizes us.

These professionals work 365 days a year with the highest degree of commitment and positive attitude in different situations of high complexity.

We work continuously to strengthen Panama’s connectivity to enhance its commercial and tourism development. To ensure that this vision crystallizes, we have set ourselves on a path of **SUSTAINABLE DEVELOPMENT** that not only implies growing profitably and continuing to strengthen our leadership position in aviation in the region, but to responsibly manage our impact on the environment, permanently grow our human talent and contribute significantly to the development of the country and the communities in which we operate.

We are an active signatory of the United Nations Global Compact United Nations and its local chapter of the Panama Global Compact Network and therefore, they have published our Communication of Progress (COP) since October 2001.

The Route to Success: our tool for strategic direction



FLY TO WIN



**STRENGTHEN
CLIENT
EXPERIENCE**



TEAM WORK



**ACHIEVING
COMPETITIVE
COSTS**

"The Route to Success" is the name of our business strategy, from where an action plan stems. This plan, in turn, is reviewed every year to define our pillars of work, objectives and indicators of success. "The Route to Success" shows us the way to continue ensuring that everyone at Copa Airlines is working with laser-precision and focus on the same objectives; for this reason, the key elements of this strategy permeate our actions day by day.

We are Copa Airlines: our Value in Action



Our first commitment is with safety

This includes the safety of everyone involved in our operations: from our clients, to employees and everyone at Copa. We comply with the industry’s highest standards and regulations, both local and international.



We anticipate and exceed our client’s expectations

We recognize our success depends on our clients’ satisfaction. We are trustworthy, and we offer a world class service: efficient and consistent.



We work as a team and foster a positive environment

We want to be a best place to work, providing growth opportunities for our employees, recognizing and celebrating their accomplishments.



We seek continuous improvement


We see every challenge as an opportunity to improve: creativity sets the tone in our day to day work.




We are honest and upstanding in all our actions

We work with integrity and transparency, fulfilling our promise to those with whom we work.


70 YEARS OF HISTORY



1966 

Our first international flight to San Jose, Costa Rica


1992 


We started the first Intra-Latin American connection center

1999 


Copa Airlines  —  **BOEING**

New brand image and new Boeing 737-700 HG aircraft


2011 


 HUB of THE AMERICAS®
P A N A M A

Expansion of the Hub of the Americas to 6 flight banks

2015 


ConnectMiles
We launch ConnectMiles our own Loyalty Program

 Order of 61 new **Boeing 737**, Max 8-9 and we received our **100th aircraft**


2017 



- **Opening flights** to Denver, USA and Mendoza, Argentina

Copa is born as **Compañía Panameña de Aviación COPA** founded by **PANAM** and Panamanian investors. We started our operations with 3 Douglas c-4 aircraft.


1947 


We withdraw from the domestic market to **focus on international flights**



1980 

 **Continental Airlines** 


Sale of equity stake and **strategic alliance**


1998 


 **NYSE**
Copa quotes in the **New York Stock Exchange**


Acquisition of AeroRepublica and new **Embraer 190 Aircraft**

2005 

 **STAR ALLIANCE™**
We formally join **Star Alliance's** global network

2012 

- Launch of our **new mobile app and new website.**
- **We open flights** to Rosario, Argentina; Chiclayo, Perú and Holguín, in Cuba.

2016 

Our fleet

By the closing of 2017, our fleet was comprised of 100 aircraft:

- 14 Boeing 737-700 Next Generation
- 66 Boeing 737-800 Next Generation
- 20 Embraer-190

We continue to focus on modernizing our fleet, increasing and renewing it, with firm orders for two additional Boeing 737 Next Generation, which will be delivered in the first half of 2018 and 71 Boeing 737 MAX that will be delivered in the period between 2018 and 2025.

WE WILL BE THE FIRST AIRLINE IN THE REGION TO OPERATE THE 737 MAX IN LONG ROUTES TO SOUTH AND NORTH AMERICA

Like other Boeing 737 MAX models, the MAX incorporates the latest CFM International LEAP-1B technology, Advanced Technology winglets, Boeing "Sky Interior", large cabin screens and other improvements to offer the highest efficiency, reliability and comfort to travelers in flights of single-aisle aircraft.

The 737 MAX is the fastest-selling aircraft in the history of Boeing.



TYPE OF AIRCRAFT	2016	2017	2018	2019
BOEING 737-700 124 pax	14	14	14	14
BOEING 737-800 160 pax	64	66	68	64
737-MAX 178 pax	0	0	5	13
EMBRAER 190 94 pax	21	20	19	19
TOTAL	99	100	106	110

PROJECT IN PROGRESS: NEW TECHNICAL MAINTENANCE CENTER

With an investment amounting to US \$ 15 million, this new hangar will have the capacity to host simultaneous maintenance for three aircraft of the Copa Airlines aircraft fleet, type Boeing 737 and Embraer 190. This new maintenance center will boost the development of the airline industry in the region and will maintain the maximum quality standards in aircraft.

New destinations and connections

During 2017, we added to our route network two new direct flights from Panama City. The first, towards Denver, Colorado –our thirteenth destination in the United States– and the second to Mendoza, Argentina, our fourth destination in that country of South America. Both flights have a frequency of 4 times per week.

In addition, we added a third frequency to meet the demand of the summer high season on flights to San Juan, Puerto Rico and we implemented a new frequency on flights to Brasilia, Brazil.



These were some of the other operations milestones during the year 2017:

Our Copa Club in Panama City celebrated 17 years of operation: with capacity for **246 people** and with an average of **1,300 visits** per day.

31 years in the Puerto Rican market and 14 years to operate in Tegucigalpa, Honduras.

We reached **10 years** of flying to Punta Cana and the Dominican Republic.

10 years of flying to Guadalajara.

20 years of operations in Venezuela.

In 2018, we have already announced new routes to Barbados, Salvador de Bahía and Fortaleza, in Brazil.



Our Products and Services



Copa Club
 Offers the clients a reserved space, privacy and rest before flights and during connections.



Corporate Program
 Rewards the preference of business journeys from business clients by enabling them to swap their Business Rewards points for air tickets, MileagePlus Premier memberships, entrance to our saloons Copa Club and other benefits.



Copa Cargo
 With this service, we offer logistic solutions of freight transportation, we have equipment specialized for different types of freight, including the ones that require a special treatment and priority.



Copa Convenciones
 We offer special discounts for events and conventions in the region through this program.



Copa Vacations
 We analyze our clients' priorities for vacation packages to offer the best options for vacations through all the continent.



Copa Courier
 Our broad net of connections allows us to offer an efficient service on parcel service. We deliver to more than 165 countries. Through our web page you may estimate the price of the dispatch and accumulate miles.



ConnectMiles
 This is our own loyalty program we have specifically designed for our clients.



Hub of the Americas
 It is the leading connection hub in Latin America, providing more international flights than any other hub in the region. It offers flight schedules conveniently displayed for faster connections and uninterrupted service from one extreme of the continent to another. The Hub of the Americas makes Panama the best-connected city in Latin America and the third in the world.

Economic performance

Financial results

The perspectives for the aviation sector in Latin America began to improve after a couple of difficult years: in 2016 we received negative impacts attributable to the meager economic performance in some of the countries in which we operate and due to the effects of currency devaluations in Latin America.

After a third quarter marked by operational challenges related to natural disasters that affected the region, we've achieved a solid performance, particularly in the fourth quarter. Our sales and revenue indicators were above expectations, thanks to the teamwork in the areas of Sales, Revenue Analysis, Revenue Management, Pricing, Ancillary Revenue, Marketing, Connect-Miles, Planning and Partnerships.

This performance is due to revenue from transportation of passengers and a policy of flexibility and discipline in cost management, with which we achieved a net profit of \$ 370 million for 2017, which represents a 10.6% increase in net profit of \$ 334.5 million in 2016.



In addition, we achieved a consolidated operating income of \$ 440.1 million, which implies an increase in 59.4% on the operating profit of \$ 276.1 million in 2016. Our operating margin was 17.4%, showing an increase of 5 percentage points compared to 2016.

The results of the company's fourth quarter of 2017 reflect the continuous improvement in the environment of demand. In addition, good commercial execution allowed the company to take full advantage of improvements in passenger traffic trends and thus deliver historically high load factors for the quarter.

The transport industry and tourists who enter the country by air bring to the country 14.8% of the Gross Domestic Product (GDP), generating 260,000 direct and indirect jobs, contributing to the national economy with 7.3 billion a year.

In general, from the commercial perspective, 2017 was a great year for our "Fly to Win" pillar. This pillar is measured by the Revenue Per Available Seat Mile (RASM), achieving a RASM of 10.57 cents for the year (our goal being 10.25 cents).

In 2016, we established the important Plan50 project, whose goal is to obtain permanent savings through the search for efficiency in our processes and in the negotiation with suppliers. During 2017, we achieved 80% of this goal, thanks to the contribution and work of all areas.

Our financial statements are at our stakeholders' disposal on our website.

WINGO'S FIRST RESULTS

Wingo, the low-cost airline brand launched by Copa Airlines in 2016, with the objective of diversifying its commercial offer and serving a new segment of travelers, managed to transport during its first year of operations more than 787,000 passengers.

Wingo has carried out a total of 7,176 flights, of which 89.9% arrived to their destinations on time.

Through this brand, we seek to complement our business model and take advantage of the available infrastructure, at the same time that we dynamize the aviation market and stimulate demand.

STAR ALLIANCE NEWS

2017 was the second year that our CEO, Pedro Heilbron, served as president of Star Alliance's Board of Directors.

In this role, Heilbron leads two annual council meetings and focuses on promoting even greater commercial cooperation among the member airlines, while at the same time ensuring an uninterrupted travel experience throughout the network and preserving customer loyalty through excellent service and convenience in flights.





SUSTAINABLE COPA AIRLINES

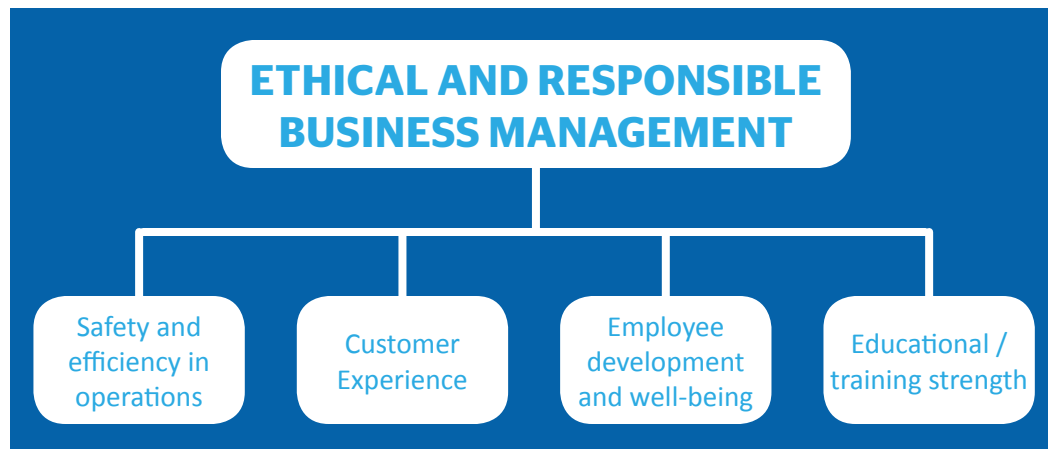
Our sustainability strategy

Sustainability for Copa Airlines means to manage responsibly and efficiently all of our operations, thus achieving the highest levels of service and safety for our clients, ensuring the well-being for our employees while maximizing our positive social impacts.

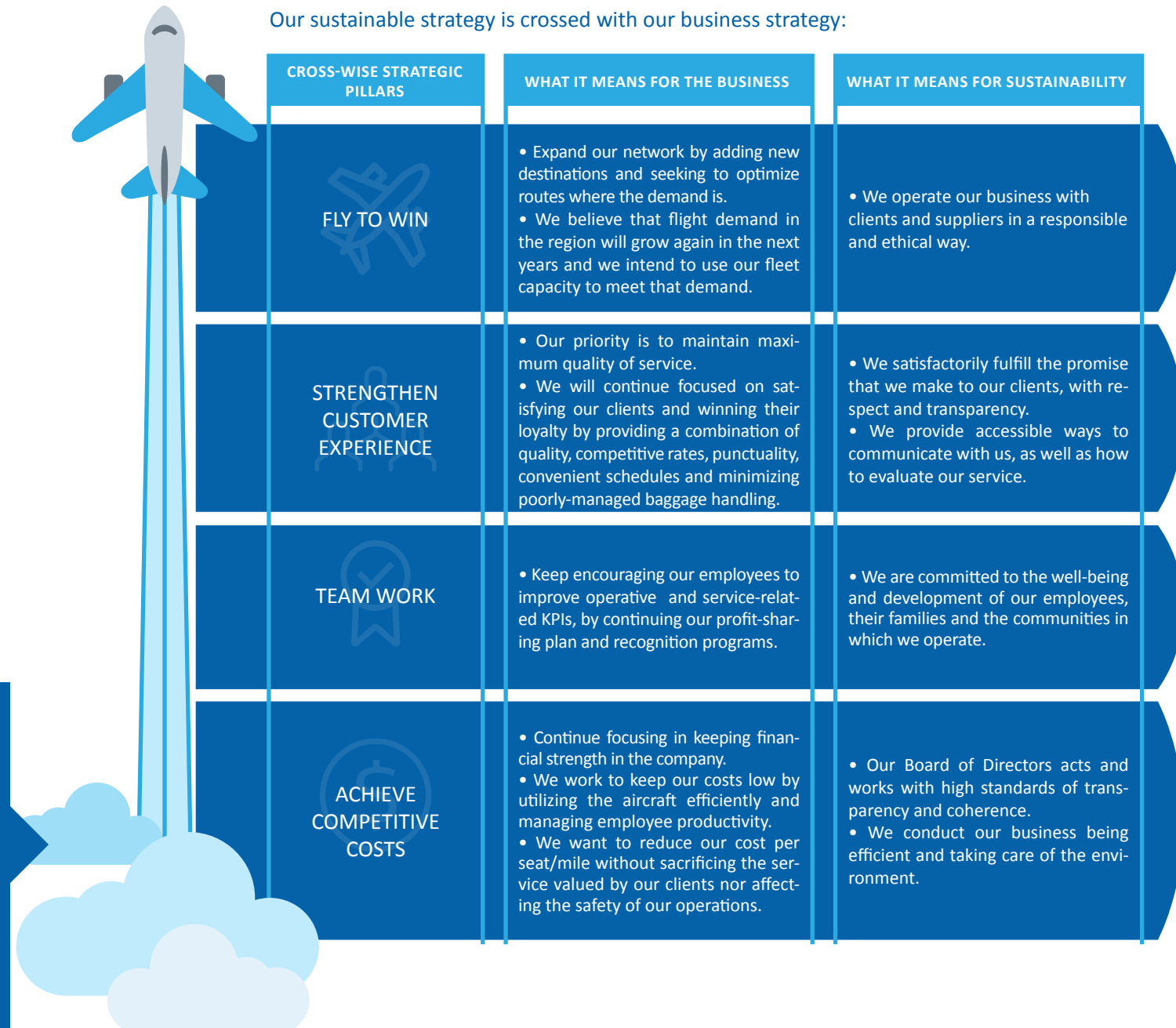
We link each of the objectives of our sustainability strategy with those of the business, incorporating them into processes and goals so that they become part of the way in which we manage the company.

Our strategic pillars

Our strategy places our business' ethical and responsible management at its base, which provides a solid and cross-wise foundation for our strategic pillars:



Our sustainable strategy is crossed with our business strategy:



ETHICAL AND RESPONSIBLE BUSINESS MANAGEMENT PERMEATES OUR ENTIRE OPERATION AND IMPLIES THE FOLLOWING ACTION GUIDELINES:



IN TURN, EACH OF OUR PILLARS MATERIALIZES IN CONCRETE ACTIONS:

Safety and efficiency in your operations

- Fleet development
- Safety in air and land
- Health and safety for our employees
- Protection of privacy
- Efficiency in processes
- Environmental impact management

Client experience

- Service and product experience
- Innovative, responsible products and services
- Consumer's rights

Employee development and well-being

- Corporate voluntary work
- Freedom of association and complaint mechanisms
- Training and development for employees
- Corporate culture and organizational wellbeing

Educational strengthening

- Creation of local jobs
- Training for suppliers
- Educational strengthening in the community
- Social investment programs

RELATIONSHIP WITH STAKEHOLDERS

The liaison we carry out with our stakeholders is based on two fundamental principles: integrity and honesty. Our goal is to keep an open and transparent dialogue with them, to identify opportunities and establish bonds of trust, which in turn helps us in decision-making. At the same time, it alerts us of possible risks, and allows us to avoid them.



COMMUNICATION CHANNELS WITH STAKEHOLDERS

STAKEHOLDER	AREA RESPONSIBLE	ACTION PERFORMED
INVESTORS	Corporate Finance Executive Presidency	Financial results annual report Quarterly meetings Sustainability report
CLIENTS	Communications Marketing Customer Service Customer Experience	Communications through conventional media Online communication channels: mailings, web page and social nets Satisfaction surveys Call center 71 points of sale – national and international Denounce channel Direct attention over the counter
COMMERCIAL PARTNERS	Sales	Meetings with our commercial allies Training program for travel agents Sustainability report
EMPLOYEES	Human Resources Internal Communications Corporate Welfare	Organizational climate survey Intranet: "Somos Copa" and "Copa TV" Daily bulletin and Noti Copa magazine Quarterly chats with CEO Copa Talks Help Desk Sustainability Report Team meetings Copa Escucha Yammer: corporate social network copaseguridad.com
SYNDICATES	Human Resources	Collective labor agreements Sustainability report
COMMUNITIES	Corporate Social Responsibility	Sustainability report Corporate volunteering
SUPPLIERS	Procurement	Meetings Sustainability report Negotiations of contracts
REGULATORS AND AIRPORT OPERATORS	Airport Services	Sustainability report Meetings



CORPORATE GOVERNANCE

Corporate Governance at Copa Airlines is marked by the principles of integrity and transparency under which all decision making is carried out, extending to all levels of the company.

The company’s good governance practices are in line with the standards of the New York Stock Exchange, the principles of the Global Compact, the guidelines of the US Securities and Exchange Commission, as well as the guidelines of the National Securities Commission in Panama.

Our main governing body is the Board of Directors responsible for the supervision and control of the company’s activities, with exclusive competence over general policies and strategies. It's formed by eleven members, four of which are independent.

NAME	POSITION	AGE
Pedro Heilbron	CEO and Director	60
Stanley Motta	President and Director	73
Álvaro Heilbron	Director	53
Jaime Arias	Director	84
Ricardo Alberto Arias	Director	79
Carlos A. Motta	Director	46
John Gebo	Director	48
José Castañeda Vélez	Director	74
Roberto Artavia Loria	Director	59
Andrew C. Levy	Director	49
Josh Connor	Director	44



One of the Board of Directors’ main responsibilities is to analyze risks, including ethical, social and environmental issues throughout their planning of activities; along with the search for profitability, guarantees responsible projects and operations with the power to generate value in the long term.

TO STRENGTHEN THE COMPANY'S CORPORATE GOVERNANCE, THE BOARD OF DIRECTOR WORKS WITH FOUR COMMITTEES, IN CHARGE OF EXAMINING AND FOLLOWING UP ON ESPECIALLY RELEVANT AREAS:

Audit Committee

Internal control is another of the basic pillars of a good governance model. This committee is responsible for the review of all of the financial reports, the effectiveness of risk management systems and compliance with laws, policies and ethical codes.

Additionally, it is responsible for the complaint procedures related to accounting, auditing and internal control matters. We have a compliance policy that establishes the measures to follow in relation to the non-compliance of the processes.

Roberto Artavia, José Castañeda and Josh Connor, all non-executive and independent directors make up this committee, under the applicable rules of the New York Stock Exchange. The Committee chair is Mr. Roberto Artavia.

Appointments and Corporate Governance Committee

Responsible for recommending criteria for the selection of new directors, supervision of the Board of Directors' evaluations, its members and committees, as well the management of other matters specifically delegated by the Board of Directors.

Ricardo Arias, Carlos A. Motta, Alvaro Heilbron and Roberto Artavia are the members of our Appointments and Corporate Governance Committee, and Mr. Ricardo Arias is the President.

Independent Director Committee

Made up by experts in a specific area, it is structured according to the matters to be attended. Its main purpose is to advise to the company's Board of Directors on specific topics that may arise at specific times. It consists of at least three members although it varies according to the needs.

Roberto Artavia, José Castañeda and Josh Connor, all independent, non-executive directors make up this committee, under the applicable rules of the New York Stock Exchange.

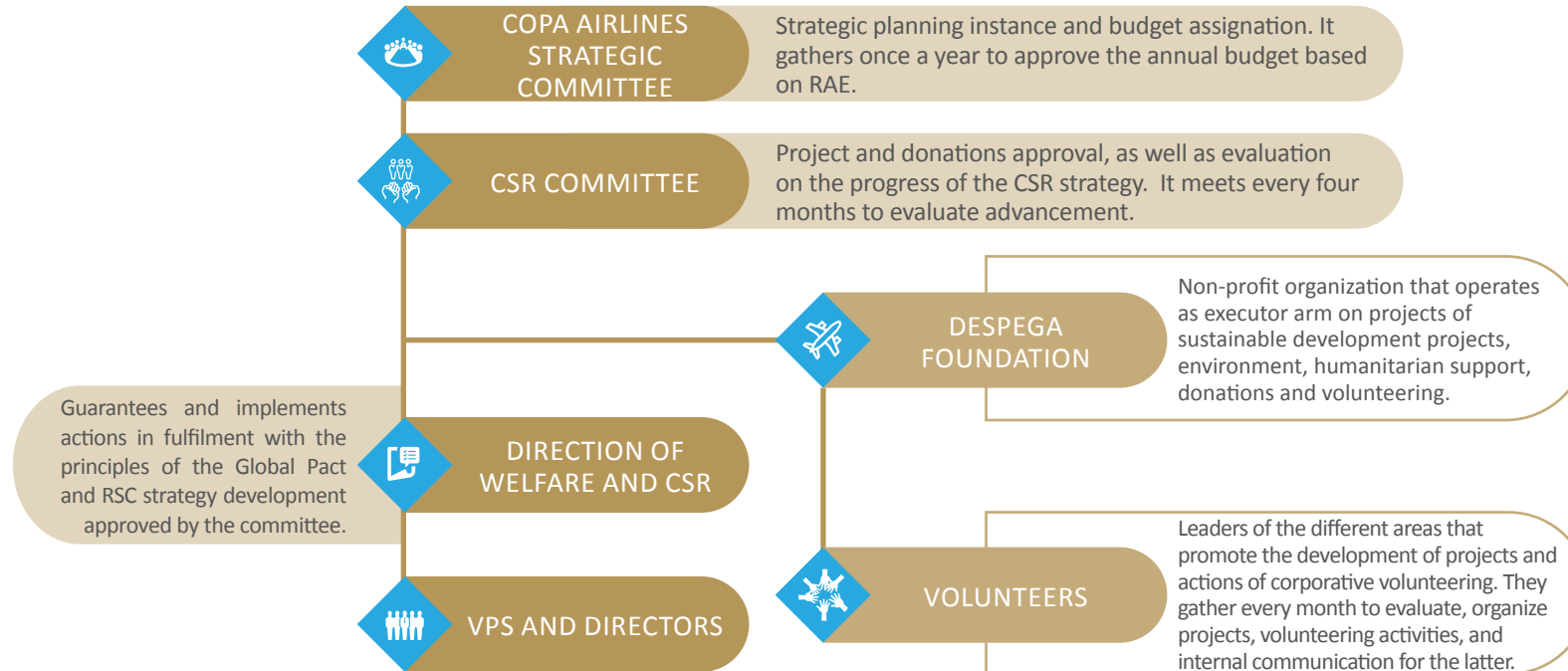
Remunerations Committee

Responsible for the selection and evaluation process of all managerial positions of the company (including CEO). It also recommends the level of compensation and bonuses. Its members are non-executive directors of whom, at least one, is an independent counselor.

Stanley Motta, Jaime Arias and José Castañeda are the members of our Remuneration Committee, and Mr. Stanley Motta is President.



Government of sustainability



GOVERNANCE OF DESPEGA FOUNDATION

Despega Foundation is responsible for executing volunteering projects, social development and environmental projects, and all Copa donations.

The maximum governance organ of Despega Foundation is its Directive Board, conformed by:

- President: Pedro Heilbron, CEO.
- Vice president: Vidalia de Casado, Human Resources VP of Copa.
- Secretary: Ivette Franco, Legal Advice Director at Copa.

- Treasurer: José Montero. Finance VP at Copa.
- Vocals: Laura Plata, Responsible of CSR t Copa
Mayra Arosemena, Director of Share Services.

The Directive Board gathers once a year with the purpose to determine the activities of the Foundation and evaluate the results of the previous year. The Foundation's funds come from Copa's donations, activities for collecting income, such as the Annual Tournament of VP Ops Technical and the funds obtained by Copa's corporative volunteering.

ETHICAL CODE

Our Code of Ethics and Business Conduct, recently revised, establishes the behavior guidelines and our commitment to the fulfillment of Our Values in Action, policies and standards, for the decision-making process and execution of our daily tasks.

Compliance issues are also dealt with within the Code, zero tolerance for corruption, financial transparency and interest conflict.

Our Code of Ethics is available at all times through www.somoscopa.com, our internal employee platform, from where they have easy access to internal policies and processes.

ETHICS OFFICER

The Committee and the Ethics Officer have the responsibility of ensuring compliance to this Code. The Officer reports directly to the CEO and drafts periodic reports for Copa's Audit Committee, as well as the drafting of policies and procedures put in place to ensure compliance with the Ethics Code.

COPA LISTENS (COPA ESCUCHA)

This is a service our employees may use to report, in confidentiality and confidence any violation of policies, norms and principles contained in our Ethics Code. Even if it's just a suspicion, the situation must be investigated in order to avoid a bad practice. Our employees have access to different channels to present formal complaints.



WORLD-CLASS SERVICE

Our goal has always been to offer our clients the best experience. This has allowed us to earn the trust of the more than 13 million passengers, from all corners of the continent, who prefer us. We are focused on offering a trustworthy, kind and safe service to keep on flying loyal and satisfied customers, while at the same time being vigilant about maintaining the highest operative standards.

Our strategy to strengthen client experience is centered around four pillars:

1 To maintain the quality of our products and services, encouraging passenger loyalty and satisfaction.

2 To satisfy our clients' expectations offering a safe and trustworthy journey.

3 To offer new tools to access our services.

4 To ensure the Hub of the America's connectivity, minimizing missed connections and delays.

We have managed to strengthen our clients' experience even more, facing a competitive and dynamic environment; since this year we faced great trials, mainly due to external challenges that affected our operation and punctuality.

Even so, despite operative difficulties, external factors such as power outages, adverse weather conditions, hurricanes, and airport closings, our team represented the company well and proudly, and we were recognized, for the fifth year in a row, as Latin America's most punctual airline and the fourth in the world.

MAIN KPIS

- **83.2%** load factor (Sold seats in each flight)
- **12.27** unitary rates (1.2% above budget)
- **86.56%** of our flights were on time
- **99.38%** completion factor
- Only **6.32** of each 1000 suitcases were affected

PUNCTUALITY: on time thanks to a great team effort

Punctuality has been one of our main differentiating factors in the competitive aviation industry in Latin America and the world.

In 2017, with an index of 86.56%, FlightStats recognized our airline for the fifth consecutive year as the "most punctual airline in Latin America" in their ranking "On-time Performance service 2017". Similarly, London's Official Airline Guide, named Copa the fourth most punctual airline in the world and the most punctual in the region, after analyzing data on 57 million flights.

Both awards are extremely meaningful, particularly if we take into account the magnitude of the natural disasters that affected Mexico and the Caribbean during the second half of the year.

WE LAUNCHED OUR COMPLETELY RENEWED MOBILE APP

In 2017, we added new benefits to our mobile app, available in three languages (Spanish, English and Portuguese), including five new and important features, along with improving existing ones.

The app, besides including for the first time the possibility of booking and purchasing flights, allows the user to obtain a digital boarding pass in US airports, visualization of trip details, accessing their frequent flyer ConnectMiles account and receiving notifications of relevant events related to the flight.

A LINK BETWEEN EAST AND WEST

We initiated codeshare flights with Turkish Airlines. With this new codeshare alliance, passengers from Europe and Latin America will have access to fast and efficient connections through the hubs located in Panama and Turkey, thus establishing an important link between East and West along with a new array of travel possibilities via Panama City and Istanbul’s connection hubs.

LOOKING FOR CONTINUOUS IMPROVEMENT: NOW WITH TSA PRECHECK®

Our passengers now have expedited access through security points in airports in US and Puerto Rico, without having to remove their shoes, belts, laptops, light coats and liquids up to 3.4 ounces. TSA Precheck® is an inspection process done in advance, that allow passengers that belong to one of Department of Homeland Security’s trusted frequent flyer programs, to go through security points easily, quickly and efficiently.

TRANSPARENT AND RESPONSIBLE COMMUNICATION

Social media are platforms that allow us to be closer to our clients. For example, via our Facebook page, our clients can have direct access to important information about the company and to our immediate-answer service “Ask Ana,” also available on our website. This is our most direct channel regarding promotions.

All communications with our clients are subject to our transparency and veracity policy. This has allowed us to gain their trust. Additionally, all of our advertising activities are carried about respecting consumer rights.

Our Customer Service Model

- 1 Notify of the lowest available rates
- 2 Notify of delays, cancelations and changes in itinerary
- 3 Deliver baggage on time
- 4 Reimbursement of air tickets
- 5 Adapt for clients with disabilities and other special needs
- 6 Satisfy essential client needs during prolonged delays on the runway
- 7 Compensations for overbooking
- 8 Reveal cancellation policies and frequent flyer rules
- 9 Ensure response capacity for client claims
- 10 Alleviate passenger nuisances



DISTRIBUTION OF SALES

We have a network 68 national and international points of direct sales and marketing that allows us to be close to those customers who prefer a more traditional shopping method.

CLIENT CONFIDENTIALITY AND DATA PROTECTION

We are aware of the importance of safeguarding each of our client’s personal data, which is why we carefully protect it and use this information responsibly, as specified in our Ethics Code and Privacy Policy. All information related to credit card purchases from our website or call center is only used to complete the specific purchase for which information was provided.

We currently have no claims related to confidentiality violation or client information leaks to third parties.

SATISFIED CLIENTS: CLAIMS AND COMPLAINT MANAGEMENT

To satisfy our clients requests, we have different ways to channel questions, claims and complaints.

Our team devoted to client communications employs a system that allows queue management by agent, as well as prioritization according to client and situation, in a way that clients can be cared for in the least possible time, providing complete and fair answers, according to each situation.

To measure and improve our service, we collect data from our clients’ opinions monthly

- We have a devoted team to analyze our client’s voice, they collect their opinions daily using different sources of information, such as:
 - Phone assistance: call center in Panama and Colombia.
 - Online assistance: contact channel through “Ask Ana”.
 - Social media: we channel requests via Twitter and Facebook.

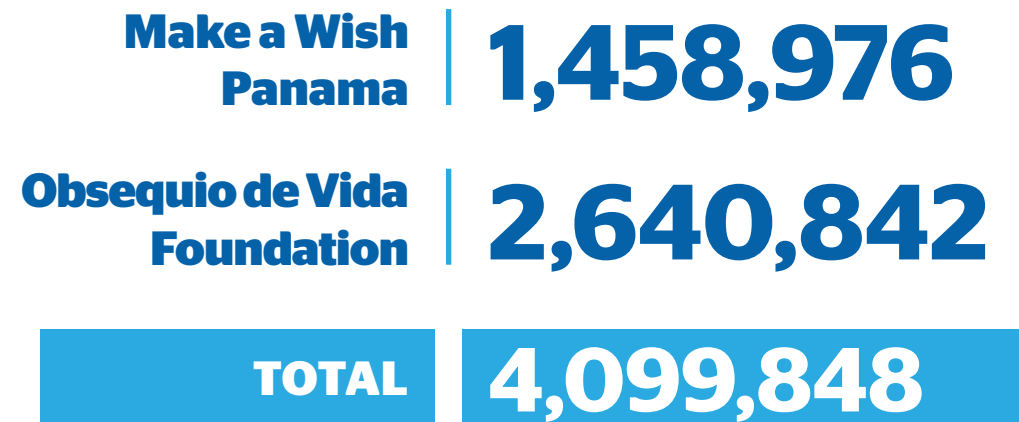
We work day to day to improve our service to our clients’ benefits and carry out client surveys, once their trip has been completed.

CONNECTMILES AND DONANTE MILES

ConnectMiles is our frequent flyer program that works as a digital card, along with the company’s effort to diminish environmental impact. The program, which we launched in 2015, performed well in 2017, hitting a 52% above our goal: mainly thanks to shared brand Connect Miles credit cards.

Donate Miles is a program through which our ConnectMiles members have the opportunity to “donate” their accumulated miles with Panamanian NGOs such as Obsequio de Vida and Make a Wish. Donated miles are used to facilitate air transportation for people in need from Panama to any Copa destination, where they can receive medical assistance.

Our clients donated more than 4 million miles in 2017:





COPA TALENT

THE HEART OF OUR AIRLINE

In Copa we take great pride in the enormous talent, effort and dedication of each of our employees, who demonstrate daily that it is possible to achieve the goals we set; they are the cornerstone upon which we've built our accomplishments these past 70 years. Thanks to them, we look to the future with confidence to achieve our goals.

FOR ALL THESE REASONS, WE HAVE SET STRATEGIC GUIDELINES FOR OUR TALENT MANAGEMENT:

Keep Copa as one of the best places to work

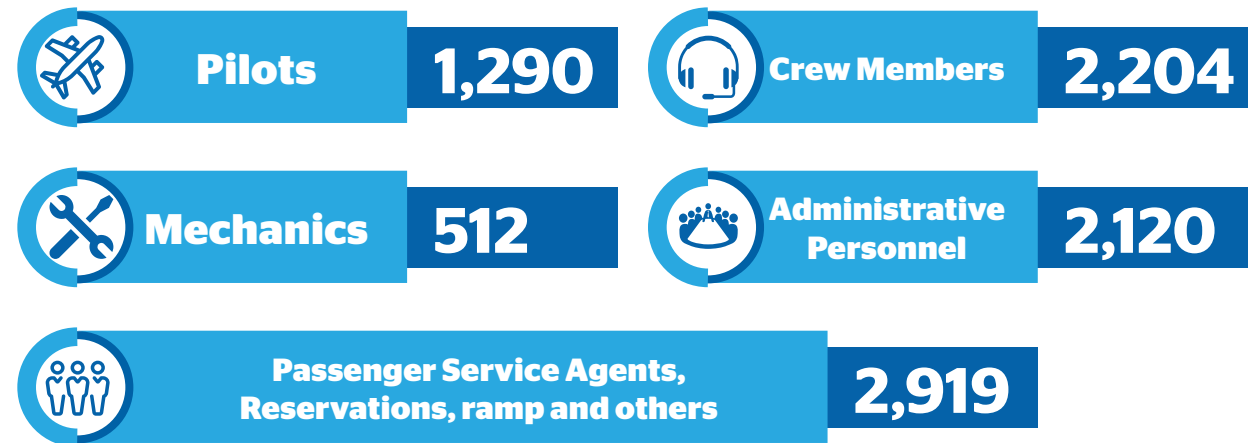
Establish concrete action plans based on our workplace environment survey

Strengthen our leaders' development

In 2017, we worked on more than 50 actions identified as an opportunity in our workplace environment survey, focused on our employees' well-being and offering growth opportunities, which has allowed us to improve by 4% in workplace environment.

These results encourage us to keep working to make Copa the best place to work.

BY THE END OF 2017, COPA AIRLINES EMPLOYED 9,045 EMPLOYEES IN ITS DIFFERENT AREAS OF OPERATION:



DIVERSITY AND INCLUSION

42% of managerial positions are occupied by women.

2,076 new hires in 2017.

7,026 employees located in Panama, while 1,136 worked in stations.

Copa strives to comply with a policy of equality between men and women and we will continue to commit ourselves to reduce the gender gap in managerial positions. Our practices of gender equality are not limited to our employees, but we seek to implement targeted initiatives towards customers, suppliers and interest groups to further strengthen the commitment to gender equality.



LEADERSHIP AGENDA

This is the name of a model that we apply internally, which aims for our leaders to have the ability to positively influence our team of employees. Each department focuses on the achievement of its objectives, anticipating and ensuring transparency in decision-making. In this way, each employee knows their contribution and impact in the achievement of the organizational objectives, as well as in the department. A monthly meeting is held between the top managers of the company and all managers and Directors of areas to discuss advances and challenges in corporate strategy. By 2018 we plan to launch a new program for strengthening leadership in Copa.

TRAINING AND DEVELOPMENT

At Copa we offer our employees a work environment conducive to professional development and concrete opportunities for growth.

An example of this is that in 2017, more than 700 positions were occupied with internal talent and 78% of job openings for managerial positions are a product of our employees’ potential and development.

Through the years, we’ve established a variety of training programs for our team; these are just a few of the most significant:

- **1,256** employees in programs of our Service Academy. Its goal is to develop customer service skills to strengthen our customer’s loyalty.
- **14** Copa Talks Sessions, attended by 621 employees.
- **More than 1,900** leaders were trained in “Essentials of Leadership”.
- **More than 250** promotions to crew chiefs and executive class.
- **Our Language Academy prospers:** we offered 5 language programs, including a Corporate English (235 have participated), we also offer Portuguese programs.
- **620** employees took part of the Leadership Academy, seeking to strengthen managerial skills.

PROMOTING THE DEVELOPMENT OF OUR PILOTS

All our pilots participate in training programs constantly in our training center at the City of Knowledge.

- We have a Continuous Training Program for our pilots.
- We celebrated the third graduation ceremony of 41 new Copa captains, whom between August and November of 2017, completed their training of promotion to captains.

We also have the "100% virtual" English Driver Program "Loud & Clear". Another of the most important trainings of the year was the one that prepared our technicians for the arrival of the first MAX-9 aircraft in 2018.



COMPENSATION STRUCTURE

Our compensation strategy is based on a program of participation in benefits that aims to retain the best human capital and align the interests of collaborators and shareholders. This program reflects the belief that our employees will remain dedicated to our success if they have a stake in that success. The performance evaluation is based on the results of the previous year.

Communication with our employees

Communication with our employees is essential to be aligned in regard to compliance of our objectives. It also allows us to obtain their comments and detect areas for improvement.

These are some of the most important communication channels used in 2017:

Our General Director meets quarterly with the Copa employees in Panama in meetings where he explains the performance of the company and results of the Route to Success while encouraging attendee feedback.

For those who do not have ready access to computers due to the characteristics of their work, we install self-service kiosks in the cafeterias of different operational areas.

We constantly update our Intranet "Somos Copa" from where you can access our television channel Copa TV.

We have a Copa Al Día newsletter that inform about the news of the company in different points of the region, industry news and internal job openings. In addition, we have a specific bulletin with the topics related to sustainability and CSR and a quarterly internal magazine with the most outstanding news.

We have a HELPDESK of Human Resources to assist the collaborators in the procedures that they must perform with this department.

In 2017 we launched our corporate social network: Yammer, with active participation of our CEO.



390

Employees recognized in our program “You Make a Difference,” for their exceptional performance at their jobs, going the extra mile and being an example of our values at work.

CORPORATE WELL-BEING AND QUALITY OF LIFE

At Copa we have corporate well-being programs that include, among others: a scholarship plan for bilingual private schools for the benefit of employees’ children; free health and vaccination services, subsidies in emergency situations and programs such as “You make a difference” in which each trimester, recognized employees have the opportunity to participate in a big luncheon with the company’s executive committee, visit the Boeing factory in the United States, to receive one of our new aircraft.

We carry out Workplace Environment and Commitment surveys each year through which we listen to our employees, get to know their opinion regarding different aspects of their work climate. With this information, we implement action plans for development and improvement in each work area.

We also coordinate actions focused on the wellbeing of our people:

- Health Fairs**
- Family Day**
- Sports leagues**
- Coffee machines
(24 hours a day)**

Our employees embody our values: in 2017 we developed the contest “Paint an Airplane” among our employees with the objective of reinforcing the Panamanian culture that Copy represents as a Star Alliance Member. Each contestant had to integrate Copa and Star Alliance Cultures in their proposals.

YO SOY COPA: THE NEW EMPLOYEE-EXCLUSIVE MOBILE APP

In 2017 we launched the first corporate mobile app designed exclusively for employees, which we named Yo Soy Copa. Its goal is to offer a new internal communication channel that allows our employees to keep abreast on events, news, benefits, job openings, flight availability, special notification, and even ticket purchasing.

This new communication tool is one of the first in-house tech products developed under the Agile Scrum methodology.

OCCUPATIONAL HEALTH

Our Occupational Health department designs programs destined to improve our employees' quality of life. These programs include:

- ON-SITE PHYSICIAN FOR MINOR HEALTH ISSUES
- PREVENTION AND RECUPERATION PROGRAM FOR ALCOHOL AND DRUG CONSUMPTION
- BASIC MEDICAL EXAMS
- BREASTFEEDING ROOMS

In 2017 we inaugurated the fourth clinic in Passenger Service to cover all employees at the airport, outside of restricted areas.

Our fourth clinic opened with physiotherapy for all employees in need of physical therapy and that had a previous orthopedic evaluation.

WE ALSO OFFER THE FOLLOWING OCCUPATIONAL HEALTH SERVICES:

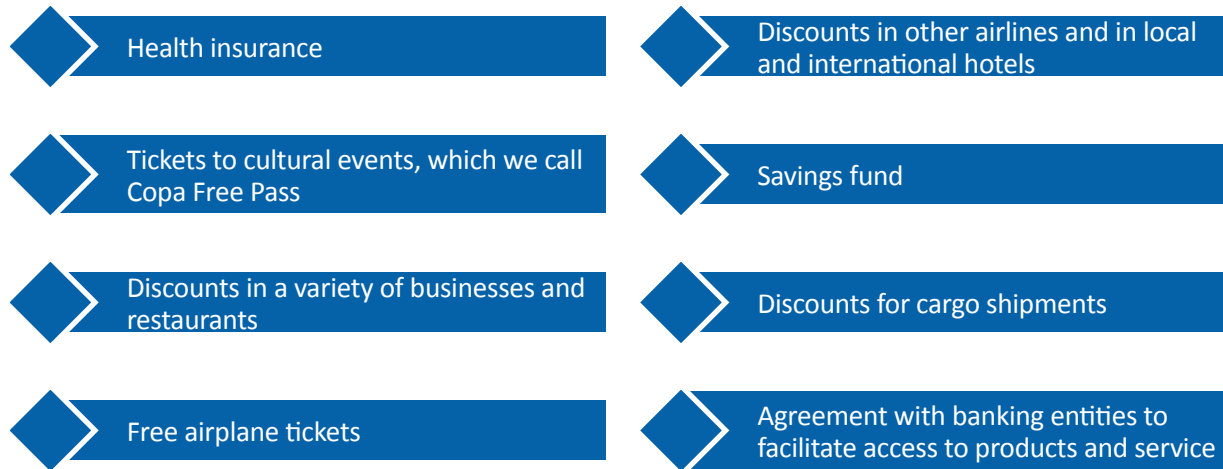
- 1 Medical Emergency Attention
- 2 Medical Assistance in checkup of chronic afflictions
- 3 Primary Care Nursing
- 4 Vaccinations
- 5 Ergonomic evaluations
- 6 Occupational medical attention
- 7 Nutritional evaluations
- 8 Counseling service
- 9 Nebulization
- 10 Wound curations, health fairs

We also continued with occupational health initiatives we've implemented to promote a healthy lifestyle among our employees:



- “Health Week,” where we offer nutrition talks, running training, yoga classes. The week ends with a Wellbeing and Health Fair led by experts and professionals that advise our employees.
- During Breast Cancer Awareness month, we carry out different activities to raise awareness on this disease.
- Our running team trains periodically and represents Copa in important races in the country; we acknowledge our employee’s healthy lifestyles celebrating their accomplishments and applauding their example through internal communications.

OUR EMPLOYEES BENEFIT FROM A NUMBER OF CROSSWISE BENEFITS:



LABOR UNIONS

We have long history of union relations. 65% of our employees belong to a labor union. We have eight internal union organizations: four covering Panama employees and other four covering employees in Colombia. Besides, our employees are members of other labor unions in the different countries in which we operate. The agreements are constantly reviewed and renovated.

The labor unions that cover our Panama employees are:

- Panamanian Union of Commercial Aviators
- Panamanian Union of Auxiliaries on board
- Syndicate of Aircraft Maintenance Technicians of Panama
- Trade Union of Civil Aviation Industry Haulers and Similar





CULTURE OF SAFETY

Operational safety is our main commitment with all the interest groups that are impacted by our operations: customers, but also our employees, as well as regulatory entities and aeronautical authorities.

We watch over travel safety: our highest priority is to provide a safe and reliable air service. We are focused on improving continuously our performance implementing international best practices, such as the System of Security Management, Flight Data Analysis, internal and external audits of operational safety and associated programs.

The Security Management System is backed by security investigations and a comprehensive audit program. The investigations are carried out either by analyzing operational events or relevant trends, as well as through our flight data analysis program.

Our audit program consists of three main components. Firstly, there is the quality assurance of aircraft maintenance program, which has the support of six dedicated maintenance professionals. The second one is made up by an internal team devoted to carrying out standardized airport audits, flight operations and associated services.

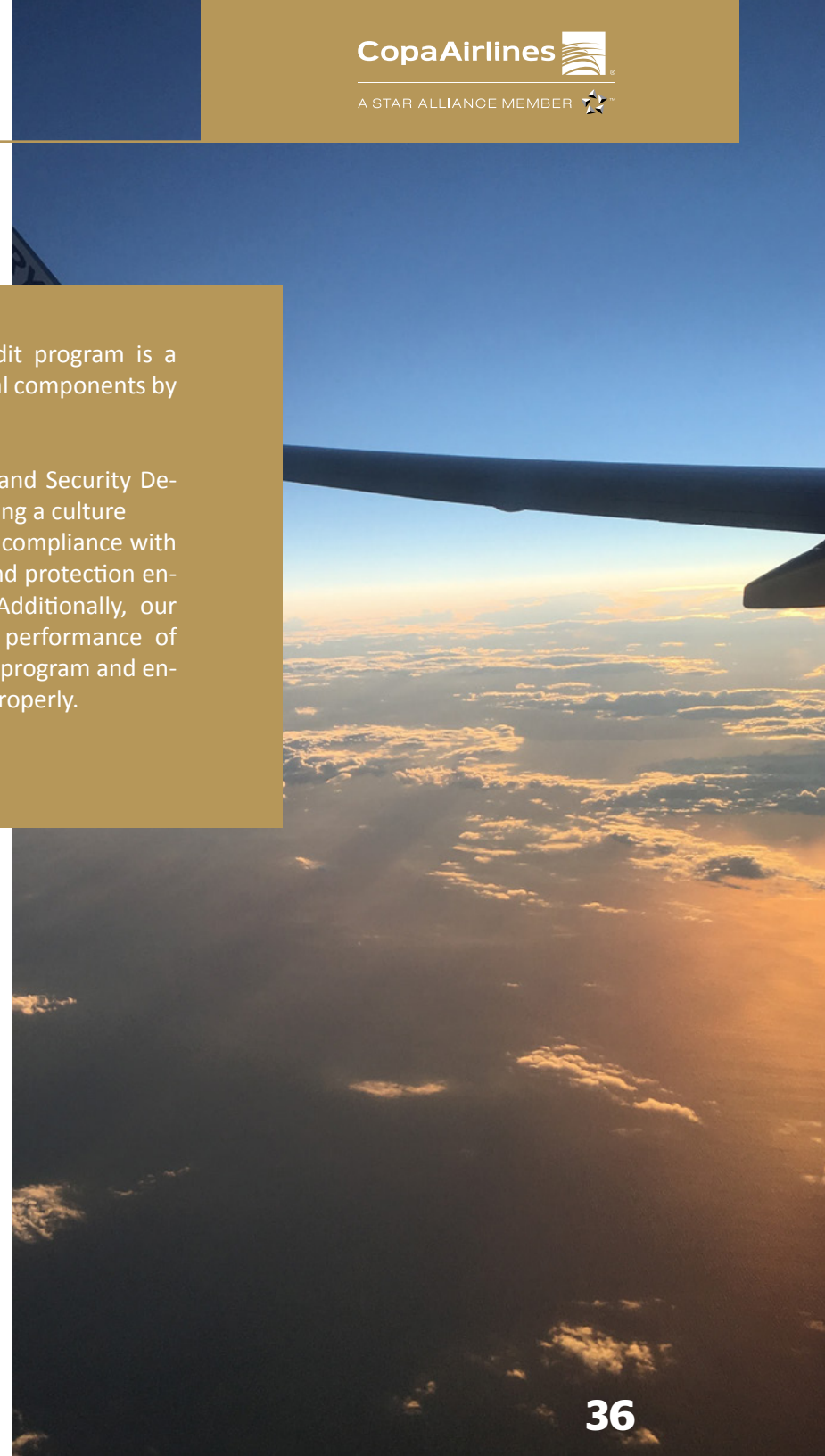
The third component of our audit program is a twice a year audit of all operational components by the IATA Operational Safety Audit.

We have a Quality Management and Security Department, responsible for promoting a culture of prevention, as well as ensuring compliance with high standards of safety, health and protection environmental in our operations. Additionally, our General Director supervises the performance of the Security Management System program and ensures that risk is being managed properly.

We are pleased to inform that in 2017 Copa Airlines and Copa Colombia managed to successfully complete the IOSA audits performed by external suppliers.

The team assists Management at the Stations in contracting, administering and sustaining the security budget, supervises compliance with the procedures established in the Security Manual at the system level with the intention to avoid fines and acts of unlawful interference.

Additionally, we work in close collaboration with local and international authorities, dedicated to research of crimes, faults and contraventions in order to detect cases of internal conspiracy, through the preparation of reports and statistics of the investigated cases.



Maintenance leadership

Copa Airlines employs nearly 500 maintenance professionals, including engineers, supervisors, technicians and mechanics who perform the maintenance in accordance to programs established by the manufacturer and approved and certified by the international aeronautic authorities.

The maintenance is carried out by Copa's own technicians themselves in Panama and in stations outside the country. All of them are trained according to the procedures of the manufacturer of the aircraft and must pass our maintenance program. The procedures of security and maintenance are periodically reviewed and audited by the manufacturer.

For its part, the RAMS project, the implementation of which culminated successfully in 2017, helps to consolidate fleet management and maintenance, by unifying systems and allowing us generate significant savings and benefits.

In 2017, we continue to stand out for our quality and agility in the maintenance of the aircraft. The construction of a new maintenance hangar near Tocumen airport in 2018 will allow us to expand the number of maintenances we make in the country, as well as to streamline the processes. We estimate that we will need about 250 additional specialists.

The new maintenance center has an investment of US \$ 15 million and will allow simultaneous maintenance work of three aircraft of the Copa fleet: type Boeing 737 and Embraer 190.

The number of aircraft damage per thousand takeoffs in 2017 was 0.32, out of a goal of 0.15

To respond to emergencies, we have an approved Emergency Manual approved by the Air Safety Directorate of the Civil Aviation Authority of the Republic of Panama. Our employees receive constant training on the procedures and policies included in this manual.

COPASEGURIDAD.COM

It's been one year after the launch of our operational safety portal, copaseguridad.com, for exclusive use for the collaborators. For those who are not part of the Copa team and want to report an incident, they can do so through the mail available in copaseguridad.com



OFFICE OF BUSINESS CONTINUITY

From the Operations Vice-presidency, this office is responsible for developing the necessary policies, procedures and actions to guarantee the continuity of the business. This includes action plans for crisis management and emergencies or disaster recovery, among others.

The Business Continuity Committee is the steering group in charge of giving guidance, advice, prioritization and approval of the necessary resources to comply with all the objectives of the office.



AVSEC

We started working under the Aviation Security airport security standards (AVSEC). This project is a combination of measures, human resources and tools designed to protect us against acts of interference in the sector.

The system allows us to prevent and be alert to detect any situation that May compromise security on issues such as hijacking or sabotage of aircraft.

Safety training

Safety is a responsibility of all of us who work at Copa and that is why it is very important to dedicate part of employee training to this topic. Throughout the year, we continue to provide multiple trainings on the subject:

- Continuing with the brigade members training in Copa's airport offices, we carry out A First Aid / CPR course in 2017, where employees of the different operational areas at Tocumen International Airport. On this occasion, 22 new employees from the areas of Onboard Supply, Automotive Workshop, OPT, SAP, SAB, HCC, Cargo and Mantle Line, carrying a total of 42 brigade members. It is planned to complete the 100 brigade members in the first months of 2018.
- Soon every trained employee will receive a reflective vest, with special badge of brigade member, so that they can be identified with ease in their work areas.
- Likewise, we conducted an evacuation drill, with the objective of keeping the members of emergency brigades and that personnel in general become familiar with the routes of evacuation and meeting points. The simulation was coordinated by the Security Management Industrial in conjunction with the areas of On-board Supply (AAB) and automotive workshop (GSE), and It was attended by SMS, SEI and SISO observers from Tocumen.
- In the evaluation meeting of both drills, some aspects of improvement emerged. They were discussed directly with those responsible, agreeing to take preventive actions.
- The Terrestrial Operations Department of Copa Airlines celebrated the "Safety Week".



TAKING CARE OF THE ENVIRONMENT

Currently, the aviation industry is very focused on reducing its emissions of carbon and in contributing positively to the global effort to conserve the environment. For this reason, the International Air Transport Association (IATA) has committed to reducing 25% of greenhouse gas (GHG) emissions towards the year 2020. We work in that same direction.

Our operations are covered by several local and international environmental regulations. These regulations cover, among other things, gas emissions to the atmosphere, elimination of solid waste and aqueous effluents, aircraft noise and other activities.

First, we make constant investments in programs that improve technological and environmental performance.

We also implemented several general measures to reduce our carbon footprint:

- Policy for purchases of products and materials with at least 80% of useful life.
- Monitoring program of gas emissions to all motorized ground equipment.
- Keep windows closed during and after landing.
- Mobilize aircraft with engines and APU off to / from the hangar and passenger terminal, using retro push vehicles / trailer.
- Modification of the Preventive Maintenance program of land vehicle fleet, increasing the frequency of inspections.
- Campaigns to save electricity in offices.

In the last 5 years, we have managed to reduce fuel consumption up 5% per stretch flown, obtaining the reduction of more than 18 thousand tons of carbon emitted into the atmosphere.



Fleet renewal

Our responsibility to the environment begins with the commitment to maintain an efficient fleet in optimum condition, thus we have a modern fleet, with the best performance and in constant maintenance.

In Copa Airlines we acquire new and more efficient aircraft regarding their use of fuel. By investing in the modernization of our fleet we improve our performance, both economic and environmental. Currently we operate one of the most modern fleets of the continent composed of modern Boeing 737-700, Boeing 737-800 and Embraer 190AR aircraft. From August 2018, we will welcome the new MAX-9 aircraft. This new fleet will generate a lower fuel consumption equivalent to 14%, which reduces directly the carbon footprint; being more efficient aircraft and with better environmental performance.

A fleet comprised of 100 aircraft

Main initiatives to save fuel adopted by Copa Airlines in the past 5 years

Reduction of the use of APU in stations and at the hub	Constant fleet modernization, more efficient and better performing	Installation of RNAV (Satellite Navigation System)
Flight plan optimization	Preferred alternates implementation	Acquisition of a new Flight Plan Manager System
Single Engine Taxing Policy	Ground Speed Indicator Control	Reduction in the time the airplane remains with in land, with the motors on, before the departure signal
Installation of winglets: savings of 5% in fuel consumption by route	Installation of Split Scimitar Wngles in the aircraft: savings of 1.4% on fuel consumption per route	Replacement of cabin carpeting for lighter material
Reduction of weight in board supply	Fuselage washing programs	Frequent engine washing

OPERATIONAL EFFICIENCY

On the runway, we apply a procedure with a single engine (SET), we optimize the time the plane keeps the engines on before the starting signal and we constantly encourage to keep the windows closed during and after landing to maintain acclimatization of the cabin.

LAND SERVICE EQUIPMENT

We are converting the land vehicles that use gasoline to a liquefied petroleum gas system, which helps to reduce the emissions of our fleet of motor vehicles.

RECYCLING AND WASTE MANAGEMENT

We adopt initiatives to reduce the consumption of raw materials, through our recycling program and **3Rs: Reduce, Reuse and Recycle**, looking to be friendlier with the environment and, specifically, prioritizing the reduction in the volume of waste generated.

Thanks to this implementation, Copa Airlines has managed to preserve more of **3,500 trees** in the past five years.

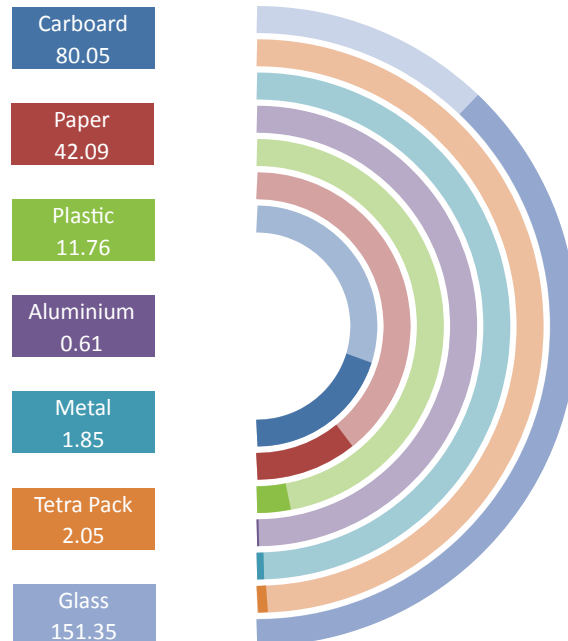
Our operations involve the production of waste: paper used in offices, aircraft pieces, uniforms of our employees, etc. Our goal is to minimize the generation of waste and reuse whenever possible throughout our supply chain, also we emphasize the use of biodegradable products.

We recycled in 2017, a record of **289.8 tons** of materials at Copa in Panama, which represents an approximate total of **\$33,912.45 in savings**.

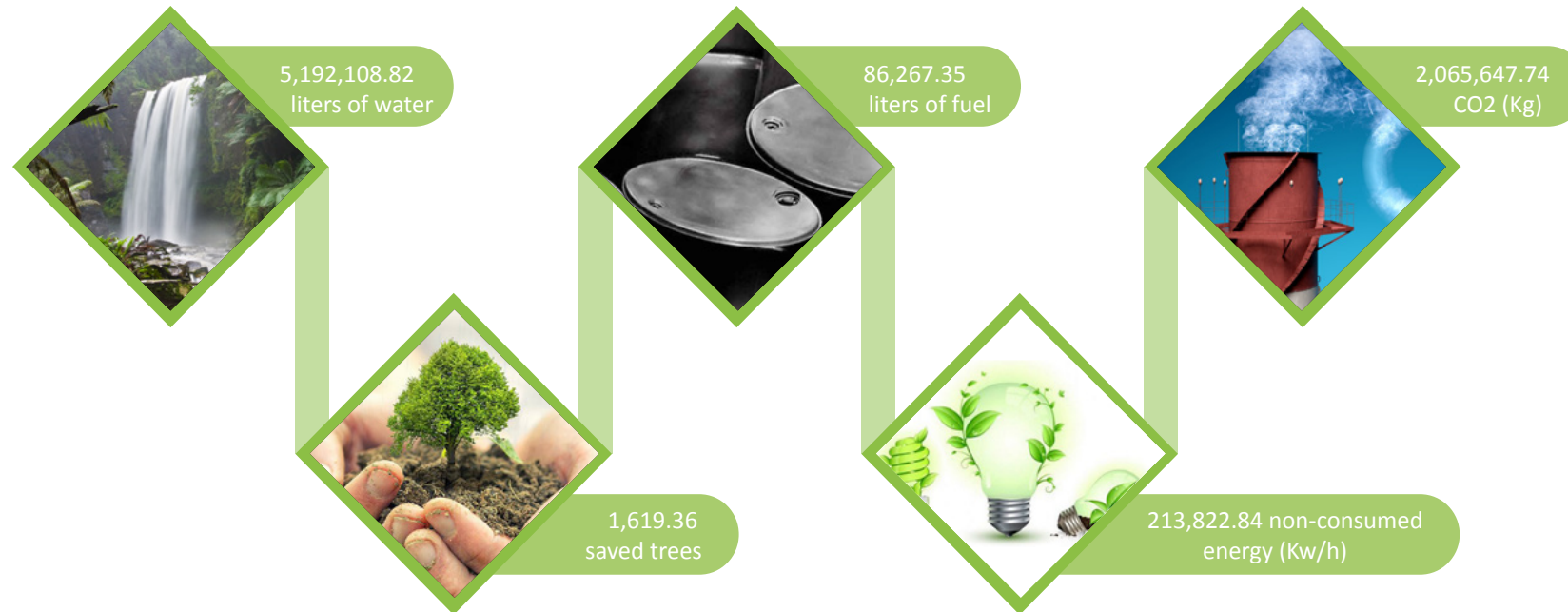
A total of **61,600 kilograms** of chemical waste from the maintenance operations of the fleet were incinerated to reduce our emission levels.

Volume of recycled material in 2017

Our recycling programs also include the burned oil of the vehicles and contaminated drained fuel drained from the aircraft. We outsource the collection of 8,500 gallons of hydrocarbons and its subsequent conversion into fuel for other industries. We also outsourced the collection of 459,850 gallons of oily water from aircraft cleaning and painting operations; their subsequent treatment of that water allowed us to recover 367,880 gallons of water that was returned to nature.



With our recycling program we have achieved the following:



Currently, we maintain a "Program of Adaptation and Environmental Management (PAMA)" in all our facilities, including our maintenance hangar and support facilities at Tocumen International Airport. This program was approved by the National Environmental Authority of Panama ("MiAmbiente") since 2013 and includes actions such as a recycling program, a better use of the natural resources, a plan to reduce the consumption of electricity, the final disposal of domestic water, among many others.

In addition, we have implemented more than 20 programs in recent years that help reduce consumption of raw material applying corporate policies of purchases of environmentally friendly products and strategies to reduce consumption; and recycling.

Thanks to these programs, we have been able to save more than 600 thousand kw/h of electricity and more than 11 million liters of water.

ENVIRONMENTAL AWARENESS CAMPAIGN

In addition to providing general information about environmental problems, especially those related to the impact of aviation on the environment, the campaign is aimed at showing ways to reduce and offset our emissions, and develop habits to achieve a good use of resources and proper waste management and acquiring good environmental practices.

Its objective is to motivate the support and participation of all employees in the environmental programs developed by the company and achieve the integration of environmental responsibility in all sectors of our activity.



CONTRIBUTING TO THE COMMUNITY



Today, 65 new Panamanian pilots, graduates of ALAS, cross the skies of America in Copa Airlines aircraft

CONTRIBUTING TO THE COMMUNITY TO DEVELOP AND GROW WITH PANAMA

Our social development strategy is focused on promoting education at all levels. We support projects of education in infancy, programs of prevention of desertion and tutoring, as well as contributing to the technical training and university.

NEWS FROM "ALAS"

Our Latin American Academy of Superior Aviation (ALAS), already in its fifth year of operation, continues to contribute to our sustainability and growth, through the training of world-class pilots. ALAS is dedicated to the training of commercial pilots for airlines and reached 29 pilot graduates at the end of 2017.

- This 2017, ALAS received the Águila Verde award, recognition granted for their participation in Air Patrol, a project that was born in order to support the fight against the burning of vegetable mass. Both instructors and students contributed from the air with the issuance of timely reports on areas affected by fires in the territory.
- 3 new aircraft from Napa Valley were incorporated into the academy to use in instructional activities.
- At the end of the year the 6th generation of pilots graduated: 7 Panamanians fulfilled the dream to graduate as pilots.

Our Aeronautical Technicians Academy grows

ATA, our Aeronautical Technicians Academy, which started in 2014 with the goal of developing highly-skilled professionals in the fields of maintenance and inspection of aeronautical systems, under local and international standards of the highest-quality, has achieved:

35 technicians graduated (first phase)

33 technicians in progress

54 new positions for 2018

The Aeronautical Technicians Training Program has two objectives:

- 1) Increase the number of aeronautical technicians available to hire in the Panamanian market.
- 2) Make aeronautical technical studies more accessible for those young people who cannot afford certifications in private institutions. This Copa contributes to create skilled labor in the aeronautical sector and offers opportunities for professional development for youth in need. Copa employees can also participate in the program.

Select students and employees receive a 100% scholarship in their studies, a special subsidy for your expenses, health and life insurance. In exchange, they must complete a four-year program of studies where the theory (25%) and practice (75%) are combined. After completion of the studies, external students as well as Copa employees are hired by the company if they wish to continue.

ATA and its impact on the business

15% of the heavy maintenance services required by aircraft were performed in Panama and 85% outside the country.

Since 2014, Copa decided to migrate maintenance work to local locations to achieve, in 2019: 85% in Panama and 15% abroad.



- **Our Crew Member Academy** exists thanks to an agreement with Panama's Aeronautical Authority to help in the training of cabin crew, so that they can join any Panamanian airline after passing their exams.

In 2017, 320 cabin crew professionals were trained for new entry

- We continue our partnership with the **Junior Achievement organization in Panama**, together with those who developed the program "Advantages of Staying in School", with the aim of decreasing the high dropout rates at 7th to 9th grade in 2 of the largest schools in the Tocumen area: the Centro Básico General San Miguel Arcángel and Primer Ciclo Tocumen.

-This year more than 70 Copa Airlines volunteers, for the fifth consecutive year, have dedicated about 4 months to develop and promote among the students, skills for life, as well as providing resources, practical tools and valuable information for making better decisions so that they complete their middle school education.

- **Mentoring Program:** this year several of our executives participated, they shared for eight weeks with young students graduating from schools of the Tocumen area, selected for their good academic performance and demonstrated values. Through this program the beneficiaries work in one-on-one sessions with professional mentors in different fields to develop personal and professional skills, as well as the confidence they need to reach its potential.

We have been doing this rewarding program for 2 years and 3 of its graduates are currently working with us



- **We continue with the Despega Tocumen project.** It is an initiative that we launched with the support of the Ministry of Education, the OEI and the United Fund Association of Panama that focuses on the training of more than 400 teachers in the Tocumen area. It aims to promote the teaching and learning processes to more than 17,000 students.
- We continue our partnership to sponsor the **International Film Festival of Panama (IFF Panama)**, promoting film culture in our country.

We sponsor the Corporate Social Responsibility Week in Panama, a meeting point for discussion of good practices in this field



- For the seventh consecutive year, Copa Airlines was part of "**Heroes for Panama**", a flagship project of TVN Media, which identifies and recognizes the work of exceptional leaders who, through their causes, contribute to a better country. In 6 years, 60 Heroes and 62 NGOs have been recognized.
- We were once again the official **airline of the Special Olympics**: 118 volunteers participated in the III Latin American Games of Special Olympics. More than 800 athletes and 200 coaches from the region traveled with Copa.

Humanitarian Support

The Despega Foundation has a donation policy focused on the donation of airplane tickets for medical emergencies and shipments for humanitarian causes.



- We transported professionals from the Urban Search and Rescue Team (USAR) of Panama to provide support in the rescue work after the earthquake in Mexico in September 2017.
- In the hopes of helping our fellow employees and communities affected by Hurricane Irma and Maria, we carried out multiple international humanitarian flights to support those affected by the passage of hurricanes.
- We launched an initiative to benefit those affected in the Caribbean that consisted in a donation system of credit miles to their ConnectMiles account. The initiative involved our members of the loyalty program, giving them the opportunity to offer their support to those affected by these disasters, donating money through the platform Crowdrice benefiting the International Federation of the Red Cross and Habitat for Humanity Puerto Rico, who keep their rescue brigades active in the affected regions.



We supported the hundreds of people affected in 2017 in the Caribbean islands and Mexico due to natural disasters.

In 2017 we flew more than 70 tons of food and basic items for humanitarian support.



VOLUNTEERING

The most valuable resource that our company has is our employees, who proudly make up our corporate volunteering team. Every one of them is synonymous with our values in action, maintaining a high spirit of human sensitivity and giving "the extra mile" in each social development initiative.

In 2017, we strengthened our volunteering program. At the end of the year, our volunteers had put in than 15,000 volunteer hours in which they worked hand in hand with various NGOs in 15 projects and activities; employees of all areas participated in these activities.

Despega Foundation social impact activities

IN PANAMA

- 125 volunteers participated in the **Good Actions Day** by supporting the renewal of the Centro de Alcance Por Mi Barrio, in the community of San Miguelito. The Center works on the prevention of child violence.
- We donated B / 50,000.00 in contribution to the improvement of the health and quality of life of the patients of the National Institute of Oncology of Panama. For the 6th consecutive year, we supported the Patient Association of Chemotherapy (ASONAPAQ), managing to benefit about 2,000 patients throughout this time.
- We Join forces to support the Association of Chemotherapy Patients for the sixth consecutive year (ASONAPAQ), the Centro de Alcance Positivo Por Mi Barrio from 24 de diciembre, the Parish of Fatima in El Chorrillo and NUTREHOGAR, with a total collection of B / .300,000.00, during the 6th edition of the golf tournament Tech Ops. Cup. The tournament brought together allied companies and suppliers to expand the scope, impact and sustainability of the social works carried out by Copa Airlines in Panama.



- We carried out the official launch of the 2018 **Copa Mundial del Barrio 2018**, a sports tournament that Copa Airlines will be sponsoring to promote educational activities and development of values for children and youth at risk. The project impacts more than 10,000 children and young people from different areas of the country, promotes sports, healthy lifestyles and values such as respect, companionship, leadership and teamwork. The cup will benefit a total of 10,500 children in 2018, with more than 6,300 games nationwide.



We celebrated 24 years of the Viaje Inolvidable, a Christmas initiative through which more than 125 children beneficiaries of the Fundación ProIntegración, Hogar of Girls Juana María Condesa and of the San Miguel Febres Cordero School could live the dream of flying on an airplane.

Copa's "Viaje Inolvidable" started more than two decades ago and it has brought joy to more than 4,000 children.

- We contributed with the Club Activo 20-30 and, for the creation of the National Epilepsy Center and a skin tissue bank.
- We participated in the No. 17 version of the **"24 Hours Relay for Life"** Race of the Friends of the Children with Leukemia and Cancer Foundation (Fanlyc), occupying the third place with 4,025 laps, exceeding the number of laps in 2016 of 3,300. This activity, which is organized every year, aims to unite the Panamanian community for the cause fighting childhood cancer and raise funds to support the treatment of children with cancer. FANLYC offers support more than 600 children with cancer in Panama.
- Volunteers from the Vice Presidency of Flight Operations successfully carried out the Christmas party at the primary school of San Miguel, where **more than 58 children received gifts** from their sponsors, both pilots and administrative staff.

- Like every year, **we made the official presentation of one of our airplanes**, which carried the logo of the campaign against breast and prostate cancer during the month October.
- Our Vice President of Flight Operations **delivered a donation of supplies and murals** to the San Diego School, located in the Corregimiento of Pacora, District of Panama, for the benefit of more than 70 children.
- Two employees of our Vice Presidency of Technology developed the **website of Ciudad del Niño** (a project they had been working on for months), as well as a \$ 1,000 annual donation.
- Our Legal Advice Department made a **donation of food and clothes to the "Hogar Juana María Condesa"**, located in Ciudad Radial, Juan Diaz. The donation benefited 25 girls, who also received a motivational talk about the importance of staying in school.



- Our Cargo and Courier Department made a **donation of 20 fans** to the San Miguel Febres Cordero School.
- A group of employees participated in orientation sessions aimed at more than 40 students who attend the last year at the Centro Supérate of the Alberto Motta Foundation, located in San Miguelito. The orientation sessions were focused on the different employment and study opportunities in different areas of aviation
- Hundreds of Copa volunteers and other Panamanian companies joined the **World Day of Beach Cleaning**, which has been carried out for 26 years. In Costa el Este, tons of garbage was removed from beaches, rivers and wetlands, as a measure to modify the behaviors that cause pollution.
- Our Passenger Services Department, in conjunction with the Pro-Niños de Darién Foundation, organized a campaign to collect empty egg cartons in good condition, necessary for the collection of eggs in school farms. A total of 214 boxes were donated to support the distribution of this valuable food to the different schools in Darién.

ABROAD:

- For the second year in a row, **the team from Lima** took joy, fun, gifts and a lot of love for the children of the Divino Niño Jesús de San Miguel shelter. This shelter is a home for children up to twelve years of age, who have been abandoned on the streets, hospitals or are orphans.



- In 2017, we also made the **Viaje Inolvidable in Guatemala**, making it possible for 130 Guatemalan children with limited resources to fly on a plane trip and celebrate Christmas, at the La Aurora International Airport.
- Employees in San Pedro Sula, organized the **visit for the children of the Telethon** of Honduras so that they could visit an airplane and lived the experience of an airport. The Telethon Foundation was constituted in September 1987, to promote changes in the quality of life of people with disabilities and impact on the conscience of the groups and people that move Honduran society.
- **We transported humanitarian aid to Peru**, in coordination with the Ministry of Foreign Affairs of Panama, for victims affected by the natural disaster "El Niño Costero".



RECOGNITIONS AND AWARDS



For the third consecutive year, we have been recognized by Skytrax as the “Best Airline in Central America and the Caribbean,” and for the second year in a row, with the award of “Best Airlines Personnel in Central America and the Caribbean”

Copa is Latin America’s most punctual Airline in 2017, according to FlightStats



Copa is among the four most punctual airlines in the world in 2017, according to the Official Airline Guide

We are proud to be a part of Star Alliance, recognized for the second consecutive year as the “World’s Best Airline Alliance”, by Skytrax





KPI CHART

PRINCIPLES GLOBAL COMPACT	CHAPTER OF THE REPORT	ISO 26000
Human Rights		
Principle 1: The companies must support and respect the protection of human rights universally recognized within their scope of influence.	Commitment with collaborators Commitment with clients Social commitment	Human Rights Affair 1: due diligence
Principle 2: The companies must be sure of not acting as helpers of violations of human rights.	Commitment with collaborators Commitment with clients Social commitment	Human Rights Affair 3: Avoid complicity
Laboral Standards		
Principle 3: The companies must respect the liberty of free association and the effective recognition of the right to collective negotiation.	Commitment with collaborators	Human Rights Affair 8: Human rights and principles in work
Principle 4: The companies must support the elimination of all form of forced work or that is performed under coercion.	Commitment with collaborators	Laboral practices Affair 2: Working conditions and social protection
Principle 5: The companies must support the effective abolition of child work.	Commitment with collaborators	Human Rights Affair 8: Human rights and principles in work
Principle 6: The companies must support the abolition of practices of discrimination in work and occupation.	Commitment with collaborators	Laboral practices Affair 5: Human development and formation in the place of work
Environment		
Principle 7: The companies must support a focus of precaution respecting the challenges of the environment.	Commitment with environment	Environment Affair 2: Sustainable use of resources
Principle 8: The companies must encourage the initiatives that promote a greater environmental responsibility.	Commitment with environment	Environment Affair 2: Protection of the environment
Principle 9: The companies must favor the development and diffusion of technologies that respect the environment.	Commitment with environment	Environment Affair 2: Sustainable use of the resources
Anticorruption		
Principle 10: The companies must work against corruption in all its forms, including extortion and bribery.	Corporate government	Governance

Scope of the report: This Sustainability Report's goal is to present our initiatives to our different stakeholders carried out by Copa Airlines, progress made, and challenges identified during the year 2017 in matters of sustainability.

For questions, doubts or suggestions regarding this report, please contact: comunicaciones@copair.com

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