



FISCAL YEAR 2025

Modern slavery and Human trafficking Statement

CAE

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This statement is made on behalf of CAE Inc. and its subsidiaries identified in Appendix A, (collectively, "CAE") for the fiscal year ending March 31, 2025 (FY25). In light of CAE's global footprint, this statement is prepared pursuant to Canada's Fighting Against Forced Labour and Child Labour in Supply Chains Act and the United Kingdom's Modern Slavery Act 2015.

Company profile

At CAE, we equip people in critical roles with the expertise and solutions to create a safer world. As a technology company, we digitalize the physical world, deploying software-based simulation training and critical operations support solutions. Above all else, we empower pilots, cabin crew, maintenance technicians, airlines, business aviation operators, and defence and security forces to perform at their best every day and when the stakes are the highest. Around the globe, we're everywhere customers need us to be with approximately 13,000 employees in around 240 sites and training locations in over 40 countries. CAE represents more than 75 years of industry firsts—the highest-fidelity flight and mission simulators as well as training programs powered by digital technologies. We embed sustainability in everything we do. Today and tomorrow, we'll make sure our customers are ready for the moments that matter.

Corporate structure and entities

CAE is incorporated in Canada and headquartered in Montreal, Canada. We operate across the globe through local direct and indirect subsidiaries, and each of our business units serves its global customers through regional operations in the Americas, Africa/Middle East, Asia-Pacific and Europe.

Business operations

CAE is a global leader in training and critical operations solutions for civil aviation and defence and security. CAE provides digitally immersive and data-driven products, services, and experiences that enhance the safety, efficiency, and readiness of its customers.

Civil Aviation: We provide comprehensive training solutions for flight, cabin, maintenance and air traffic control personnel in commercial aviation, business aviation, helicopter, and advanced air mobility markets, a complete range of flight simulation training devices, ab initio pilot training and technical support services, as well as aircraft flight operations solutions. The civil aviation market includes major commercial airlines, regional airlines, business aircraft operators, civil helicopter operators, aircraft manufacturers, third-party training centres, flight training organizations, air navigation service providers, maintenance, repair and overhaul organizations (MRO) and aircraft finance leasing companies.

Defense & Security: We are a global training and simulation provider delivering scalable, platform-independent solutions that enable and enhance force readiness and security. The defence and security market includes defence forces, OEMs, government agencies and public safety organizations worldwide.

Supply chains and suppliers

In FY25, through its supply chain, CAE collaborated with over 7 000 suppliers contributing to our Civil Aviation and Defense & Security products. To facilitate the construction and assembly of its simulators, CAE procures a variety of goods and services, including electronic components, parts, submodules, and services sourced from

different tiers within the supply chain. Our supply chain extends across the globe and covers numerous manufacturing processes, as well as indirect goods and services.

In FY25, CAE conducted procurement operations across numerous countries. The distribution of our procurement activities is as follows:

- 82% in Americas
- 10% in Europe
- 6% in Asia-Pacific
- 2% in Middle East/India

Identifying human rights risks

Risk assessment

In FY25, a cross functional team from CAE – namely Global Procurement and Supply Management (GPSM) and Sustainability Strategy and Reporting – completed the United Nations Global Compact (UNGC)'s Business & Human Rights Accelerator program, reinforcing our commitment to ethical practices and responsible business conduct. This initiative provided a dynamic platform for collaboration, connecting us with human rights experts and business peers and helping us build additional capacity with regards to this pressing issue.

Throughout the six-month program duration, we gained an understanding of CAE's human rights risk universe, completing a risk assessment process in which we mapped risks by geography along our value chain, assessed their likelihood and severity, and developed an action plan to accelerate our efforts.

Risks in our operations: As an aerospace and defence company, CAE operates in a highly regulated and technologically sophisticated environment. In the production of our simulators and training devices, we predominantly employ a workforce distinguished by high skill requirements based on the nature of the work, such as engineers or other technical professionals. With respect to training services and flight services, our workforce consists of other highly skilled professionals, such as software developers, pilots and flight instructors. We have assessed modern slavery risks in our operations as low. This finding is based on our presence in jurisdictions with a lower prevalence of modern slavery and human trafficking, as well as controls implemented within our organization to prevent human rights impacts and violations.

Risks in our supply chain: We deliberately and primarily source from suppliers located within the same geographic area as our operations, namely North America and Europe. Additionally, during the period, CAE conducted a small proportion of its procurement activities in geographic regions reputed to have higher instances of modern slavery, such as Asia-Pacific and Africa/Middle East. As part of the risk assessment process, we determined that CAE is exposed to human rights risks essentially through our sub-tiers suppliers network, including purchases of materials and components where child labour and forced labour are prevalent.

Addressing Human Rights Risks

CAE is committed to respecting and protecting the human rights of its employees and expects its suppliers, contractors and other stakeholders to do the same. While CAE recognizes that human rights risks, encompassing modern slavery and human trafficking risks, may arise in our operations and supply chain, we have implemented several measures to address these risks, including policies and procedures to identify, assess and mitigate any potential or actual human rights impacts that may result from our activities or those of our business partners.

During the reporting period, a human rights task force was established to operationalize the Human Rights Policy and related policies. The task force is composed of representatives of the teams previously mentioned: Sustainability Strategy and Reporting, Global Ethics and Compliance, and GPSM. Amongst other things, the task force oversees the process for the identification, assessment, management, monitoring and reporting of human rights risks throughout our value chain, including within our operations, as well as our upstream and downstream activities (e.g., business partners and suppliers).

These teams also contributed to the development of CAE's multi-year Sustainability roadmap for FY24 through FY28. The multi-year sustainability roadmap, which received approval from CAE's Executive Management Committee (EMC) and Board of Directors in FY23, covers a wide range of sustainability-related subjects. Some of the key results we expect by FY28, as set by the sustainability roadmap, include to:

- Continuously review and refresh policies associated to human rights management in regards with the evolving legislation in effect in the jurisdictions in which we operate
- Conduct a bottom-up risk assessment of CAE's direct and indirect exposure to human rights-related issues
- Roll out a sustainability risk management framework inclusive of human rights measures
- Deliver customized training to most exposed teams
- Establish proper protocols to prevent and mitigate direct human rights risks
- Roll out the risk assessment of selected strategic suppliers

Governance and oversight

CAE's Chief People and Sustainability Officer (CPSO) leads a multidisciplinary Sustainability Strategy and Reporting team that tracks rapidly evolving trends, develops and monitors our strategy, and reports on topics that are material to our industry and our operations. CAE's CPSO has the overall responsibility for monitoring human rights issues and for developing and recommending guidelines and initiatives to support related policy, program implementation and risk mitigation.

As part of the Human Rights Task Force established during the reporting year, the Sustainability Strategy and Reporting team is responsible for integrating sustainable practices into our operations and long-term planning. This responsibility also encompasses implementing initiatives to address human rights issues in collaboration with other functions such as Human Resources, Health and Safety, GPSM and local procurement teams, Global Ethics and Compliance, Enterprise Risk Management and Global Communications.

GPSM and local procurement teams are responsible for implementing processes to identify, assess and manage third-party risks throughout the supply chain, including human rights risks, and foster adherence by suppliers (vendors, service providers and contractors) to the commitments and principles set forth in CAE's Human Rights Policy and CAE's Supplier and Business Partner Code of Conduct throughout our network. GPSM employs its Sustainable Procurement Policy to offer comprehensive guidance aimed at effectively preventing risk during the sourcing and contract award process, managing risk with established suppliers and enhancing sustainability awareness and performance within the supply chain.

All compliance-related activities are coordinated in concert with the Global Ethics and Compliance Office, which is responsible for overseeing the implementation of enterprise-wide compliance processes. Periodic reports are submitted to CAE's Board of Directors, through its Governance Committee.

Management approach

Our commitments and due diligence processes

As a signatory of the UN Global Compact, we commit to actively uphold — through our strategies and across our operations — Principles 1 to 6 governing the protection of human rights derived from the Universal Declaration of Human Rights. We also follow the core and social standards of the UN Guiding Principles on Business and Human Rights and the International Labour Organization, together with all laws and regulations applicable where CAE conducts business.

CAE's management approach starts with our Code of Business Conduct as our primary reference. By acknowledging the Code, employees and business partners working on CAE's behalf commit to adhering to CAE's ethical standards, including respect for human rights. As for suppliers and contractors, their work for us is governed by CAE's Supplier and Business Partner Code of Conduct, which sets out our minimum expectations on human rights matters, including child labour, modern slavery and human trafficking.

Our Human Rights Policy further directs our actions and strategies with respect to human rights in our operations and is reviewed regularly, prior to approval by the Governance Committee of CAE's Board of Directors. We guarantee our employees' right to unionize and to communicate freely with their managers about working conditions without fear of harassment, intimidation, sanction, pressure or reprisal. We also recognize and respect workers' rights to free association through affiliation or non-affiliation with an association of their choice.

We address our commitment to human rights in our supply chains using standard terms and conditions with our suppliers with respect to child labour, working hours, harassment and unlawful discrimination, slavery, human trafficking and other specific concerns.

Outlined below are some of the key requirements that suppliers must meet to engage in business with us:

- Initial supplier survey when evaluating new suppliers
- Acceptance of and compliance with our Supplier and Business Partner Code of Conduct
- Compliance with our Conflict Minerals Policy
- Compliance with laws clauses in our contracts
- Commitment to implement corrective actions on identified areas of improvement.

While we have been monitoring third-party risks for many years, in FY24, CAE introduced a third-party risk monitoring tool integrating human rights risks, starting with our strategic direct suppliers. As a compliance asset, the assessment platform Ecovadis supports our efforts in setting the baseline of the sustainability risk exposure, including human rights risk, generated by our suppliers. This information positions us to engage with our partners and jointly develop risk management programs to achieve our targets. In FY25, the supply base assessed through the tool was expanded to include indirect suppliers, strengthening our visibility over human rights risks exposure.

CAE Supplier Recognition Program, which underscores supplier excellence in the adoption of sustainability and social mindfulness practices, complements our approach adding CAE's new performance evaluation criteria to leverage the capabilities of the risk management tool.

Finally, CAE's sustainable supply chain program, CAE Resilient Together, introduced in FY24, is centered around three objectives: Strengthen, Innovate, and De-Risk. Social compliance throughout the supply chain is part of the key-aspects of the De-risk objective. Selected suppliers were invited to join this program, allowing them to evaluate their sustainability strategy across social and environmental risks and to develop plans aligned with the three program objectives.

Policies

Code of Business Conduct

Our Code and compliance policies act as the compass for how we do business and for the values we put into practice every day. It provides employees with clear standards, helpful examples and information on where to go for guidance about ethical decision-making or to raise concerns – including the CAE Ethics Helpline that allows for anonymous reporting or “whistleblowing.” CAE considers any breach of the Code to be a threat to our culture, operations and financial well-being.

Our Code governs the conduct of CAE's directors, officers and employees. Available in five languages (English, French, Spanish, German and Portuguese), the Code acts as our overall ethics framework, which is supplemented by a set of individual policies and procedures that allow us to mitigate specific risks, including with respect to human rights and many more. We review our Code and corporate policies regularly.

CAE's Code of Business Conduct is available [here](#).

Human Rights Policy

CAE's Human Rights Policy emphasizes its commitment to upholding human rights across its global operations. The policy outlines specific commitments, including the prohibition of child labour, adherence to modern slavery and human trafficking laws, promotion of fair treatment and non-discrimination, compliance with working hour regulations, and our dedication to health and safety.

This policy also includes a commitment to provide awareness training on human rights, modern slavery, and human trafficking on a periodic basis to employees. This policy is reviewed at least every three years and is approved by the Governance Committee of CAE's Board of Directors.

CAE's Human Rights Policy is available [here](#).

Supplier and Business Partner Code of Conduct

We expect our suppliers and business partners to strictly comply with applicable laws and regulations in the jurisdictions where they operate or provide services. CAE's Supplier and Business Partner Code of Conduct, which was designed to align with the International Forum on Business Ethical Conduct (IFBEC), communicates the core principles to which we expect our suppliers to adhere. Suppliers and business partners are expected to convey these principles at every step of their supply chain.

The Supplier and Business Partner Code of Conduct covers 14 key areas of commitments, including environmental, social (human rights, including human trafficking, forced, bonded or indentured labour) and governance matters (i.e. compliance with laws, anti-bribery and corruption, fraud and embezzlement, tax evasion, competition and anti-trust, insider trading, conflict of interest, compliance with international import/export, information protection, timely payment of suppliers and risk management).

CAE's Supplier and Business Partner Code of Conduct is available [here](#).

Conflict Minerals Policy

This policy describes CAE's efforts to ensure that the minerals used in its products do not contribute to armed conflict or human rights abuses in high-risk areas. We communicate CAE's Conflict Minerals Policy to suppliers as part of our due diligence process to ensure their participation in the Responsible Minerals Assurance Process.

CAE's Conflict Minerals Policy is available [here](#).

CAE's Purchasing General Terms and Conditions

Among CAE's Purchasing General Terms and Conditions, CAE outlines the requirements to comply with all applicable laws, including laws prohibiting the use of child labour or forced labour, and CAE's Supplier and Business Partner Code of Conduct. We also require that our suppliers ensure that their employees are aware of and comply with these obligations. Our terms and conditions also require that suppliers flow down these requirements to their own suppliers.

CAE's Purchasing General Terms and Conditions are available [here](#).

Reporting mechanisms

In accordance with CAE's Internal Reporting/Whistleblowing Policy, CAE offers internal and external channels for individuals to report potential human rights violations. Employees, customers, suppliers, business partners or other third parties, who have questions, need guidance or have grounds to believe a violation has occurred, have several resources available to them, including (as applicable) through direct dialogue with:

- Direct supervisors or the next level of management
- Global Human Resources
- Global Legal department representatives
- Union or Works Council representatives
- Global Ethics and Compliance Office

Reports can also be filed using the EthicsPoint website and call centre, an independent confidential service available to employees 24 hours a day, 7 days a week, anywhere in the world. Inquiries regarding human rights matters may also be submitted via email to ethics-and-compliance@cae.com.

Employee training programs

All CAE employees receive mandatory training on the Code of Business Conduct at their time of hire and its provisions are reinforced through annual training and communications. This training covers important elements of our Code and related policies, including with respect to human rights, modern slavery and human trafficking. Our directors, officers and employees are also required to read, acknowledge and agree to comply with the Code on an annual basis.

Remediation measures taken

During the reporting period, CAE received no report of specific instances of forced labour or child labour in CAE's operations or within its supply chain, therefore no remediation actions were taken.

In general, when identifying a human rights violation within its direct operations as well as in upstream and downstream activities, CAE takes action to investigate and mitigate the risk, including communicating directly with our suppliers to validate the facts, requesting a remediation plan and intensifying our risk monitoring of the targeted supplier.

Considering the evolving nature of human rights risks worldwide, CAE will continue to promote its reporting mechanisms and the "speak up" culture of our Code of Business Conduct and Supplier and Business Partner Code of Conduct to encourage our employees, officers, directors, consultants, suppliers and other business partners to report any human rights concerns related to our operations and supply chains so that they can be adequately addressed and remedied.

Assessment of effectiveness

The effectiveness of our measures was assessed against the following key performance indicators in FY25:

- All targeted individuals undergo Code of Business Conduct training: more than 13,000 employees followed the training on CAE's Code of Business Conduct. This training includes a module titled "Respecting Each Other" and covers our commitment to comply with human rights laws, including with respect to modern slavery and human trafficking. The training also requires all employees to speak up should they suspect that a violation of human rights laws has occurred or is about to be committed.
- All targeted individuals acknowledge and accept Code of Business Conduct: every year, we require directors, officers and employees to read, acknowledge and agree to comply with our Code of Business Conduct, which includes a clear expectation to conduct business in a way that respects human rights in every jurisdiction in which we operate by treating our employees, and people working for our suppliers, with dignity and promoting fair employment practices. The Code acknowledgment process was completed in FY25.
- Number of instances of child labour, modern slavery or human trafficking: No child labour, modern slavery or human trafficking issues or concerns were reported via our internal reporting channels, including our EthicsPoint website and call centre.

- Number of supplier human rights violation reports: No alert related to a human rights violation was received via our third-party risk monitoring tool. As CAE continues to assess human rights risks, including child labour, modern slavery and human trafficking, in its supply chains and business operations, new key performance indicators may be contemplated, and reported in future statements.

Approval

In accordance with the requirements of the *Fighting Against Forced Labour and Child Labour in Supply Chains Act* (Act), and in particular section 11 thereof, I, in the capacity of President, attest that I have reviewed the information contained in the report on behalf of the governing body of the entities listed in Appendix A. Based on my knowledge, and having exercised reasonable diligence, I attest that the information in the report is true, accurate and complete in all material respects for the purposes of the Act, for the reporting year listed within this report.

This statement has been approved by the Board of Directors of CAE Inc., as the parent entity of the entities listed in Appendix A, on May 14th, 2025.

I have the authority to bind CAE Inc.

Marc Parent, C.M.

President and Chief Executive Officer



APPENDIX A - CAE INC. AND SUBSIDIARIES

This statement is prepared pursuant to Canada's Fighting Against Forced Labour and Child Labour in Supply Chains Act for the following entities:

- CAE Inc.
- CAE Military Aviation Training Inc.
- CAE International Holdings limited

This statement is prepared pursuant to the United Kingdom's Modern Slavery Act 2015 for the following entities:

- CAE Inc.
- CAE Holdings Limited
- CAE STS Limited
- CAE (UK) plc

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[CAE.COM](https://www.cae.com)