



**chorus** 

## Modern Slavery Report

May 6, 2024

Chorus Aviation Inc.

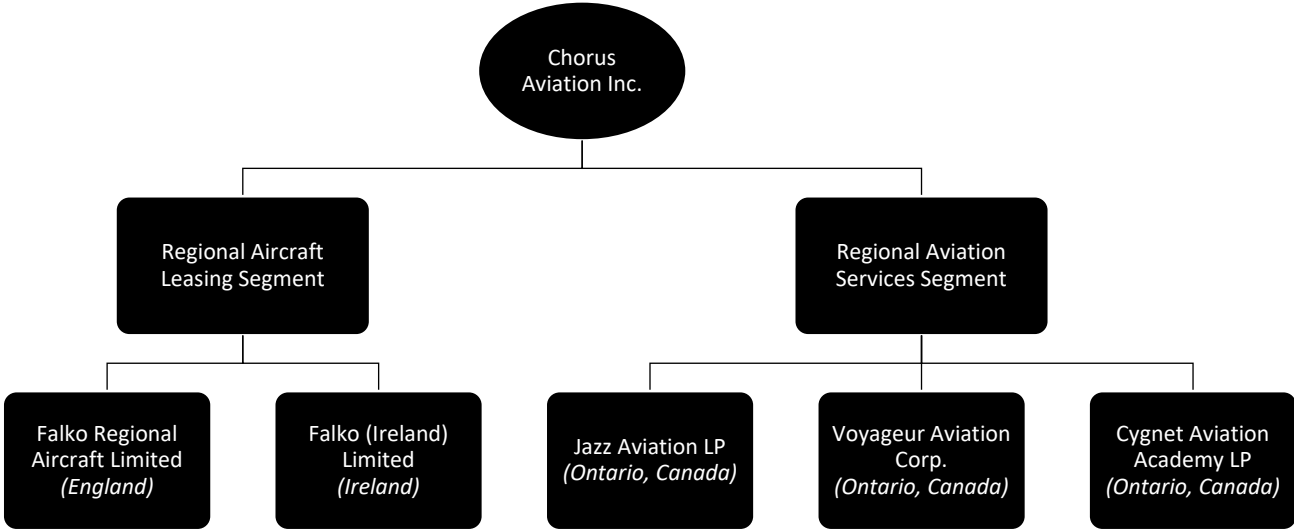
# Modern Slavery Report

Chorus Aviation Inc. (“Chorus”) and its subsidiaries are committed to conducting business in an ethical and responsible manner. As such, we maintain a firm stance against forced labour and child labour.

This Modern Slavery Report (this “Report”) is published in accordance with Canada’s *Fighting Against Forced Labour and Child Labour in Supply Chains Act* (the “Act”) and sets out the actions taken by Chorus and its Canadian subsidiaries that are reporting entities under the Act, Jazz Aviation LP (“Jazz”) and Voyageur Aviation Corp. (“Voyageur”), during the 2023 financial year to prevent and reduce the risk that forced labour and child labour is used in our supply chains. Throughout this Report, the use of the term “modern slavery” is intended to encompass both forced labour and child labour. “Chorus Group”, “we” or “our” refers collectively to Chorus, Jazz and Voyageur.

In 2023, we established the foundation of our program to join the fight against modern slavery within the global economy. This is our first report under the Act, and it describes our actions over the last year to understand and mitigate the risk of modern slavery in our supply chain. We created new policies, worked with our relevant subsidiaries to implement or update processes and procedures, and drafted new anti-slavery provisions to include in supplier contracts moving forward. Throughout 2024, we will continue to assess our supply chain, mature our controls and track our progress.

## Structure and Operations



Chorus is a Canadian federally incorporated reporting issuer listed on the Toronto Stock Exchange. Its principal subsidiaries are: Jazz, the largest regional operator in Canada and provider of regional air services under the Air Canada Express brand; Voyageur, a Canadian provider of specialty air charters, aircraft modification, parts sales and in-service support to customers globally; Falko Regional Aircraft Limited

(“Falko”), a company based in the United Kingdom that carries on business as an asset manager and aircraft lessor focused solely on the regional aircraft leasing segment; and Cygnet Aviation Academy LP (“Cygnet”), an accredited training academy based in Canada that prepares pilots for direct entry to airlines.

## **Supply Chain**

We primarily source aircraft parts and maintenance equipment, engaging suppliers from a variety of locations around the globe. Collectively, Chorus, Jazz and Voyageur procured approximately \$170.9 million in goods from more than 1,000 unique vendors over the course of 2023.

### *Chorus*

As a holding company with no operations, Chorus does not import a meaningful quantity of goods into Canada. IT software and hardware, along with office equipment, accounted for 97% of the goods purchased by Chorus in 2023 – all of which came from North American vendors. Accordingly, the emphasis of this Report is on Jazz and Voyageur’s supply chains.

### *Jazz*

During 2023, Jazz directly purchased approximately \$134 million of goods from 713 unique vendors. The goods most commonly purchased were aircraft maintenance materials and supplies, accounting for 87% of Jazz’s overall spending on goods. 73% of Jazz’s purchased goods were sourced from 39 vendors. Of those top 39 vendors, all are based in one of the United States, Canada, the United Kingdom or France<sup>1</sup>. The Walk Free Global Slavery Index<sup>2</sup> identifies both Canada and the United States as countries with a low prevalence of modern slavery.

### *Voyageur*

During 2023, Voyageur directly purchased approximately \$37 million of goods from 329 unique vendors. The goods most commonly purchased were aircraft parts and aircraft maintenance materials and supplies, accounting for 84% of Voyageur’s overall spending on goods. 82% of Voyageur’s purchased goods were sourced from 50 vendors. Of those top 50 vendors, 49 are based in one of the United States or Canada<sup>3</sup>. The Walk Free Global Slavery Index<sup>4</sup> identifies both Canada and the United States as countries with a low prevalence of modern slavery.

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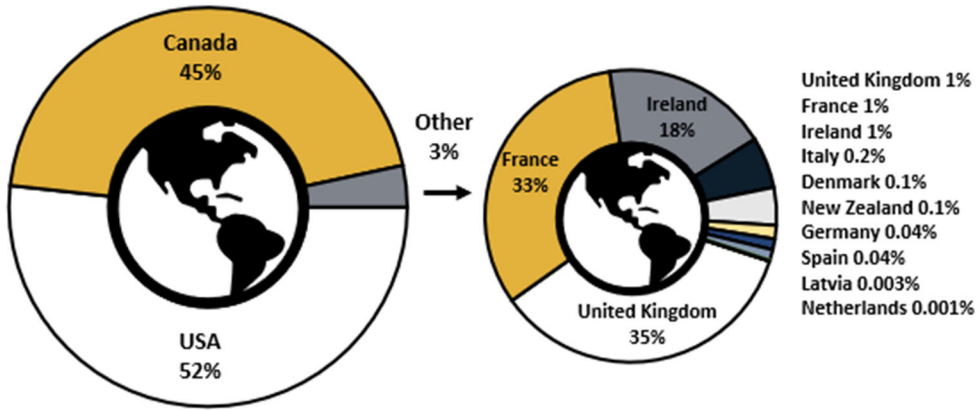
<sup>1</sup> Country location is based on the supplier address located in our accounts payable system and might not reflect the location of where the good is produced or originates. Please see the section of this Report titled, “Supply Chain Risk Assessment.”

<sup>2</sup> [World | The Global Slavery Index \(walkfree.org\)](https://www.walkfree.org/)

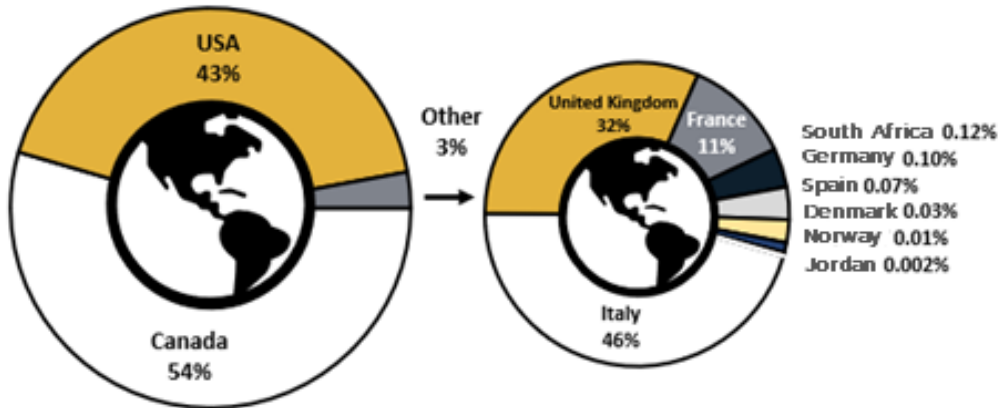
<sup>3</sup> Country location is based on the supplier address located in our accounts payable system and might not reflect the location of where the good is produced or originates. Please see the section of this Report titled, “Supply Chain Risk Assessment.”

<sup>4</sup> [World | The Global Slavery Index \(walkfree.org\)](https://www.walkfree.org/)

## JAZZ VENDORS BY COUNTRY 2023



## VOYAGEUR VENDORS BY COUNTRY 2023



## **Polices and Governance**

We have a robust corporate governance framework in place, with the Audit Finance and Risk Committee of Chorus' Board of Directors (the "**Audit Committee**") overseeing corporate risk. Risks in our organization are identified, assessed and managed through our Enterprise Risk Management process and reported to the Audit Committee on a quarterly basis.

### *Code of Ethics and Business Conduct*

We foster a culture that prioritizes honesty and integrity in all aspects of our business. We maintain this culture through adherence to our [Code of Ethics and Business Conduct](#) (the "**Code of Ethics**"), which sets out the guiding principles for all employees, officers and directors of Chorus and its operating subsidiaries. Among other things, the Code of Ethics requires decisions that comply with the law and are consistent with our values, including human rights, inclusion, equity, ethics and integrity. To reinforce these values, all non-unionized management and administrative staff are required to annually acknowledge their compliance with the Code of Ethics.

### *Human Rights*

Human rights are inherent to all individuals, regardless of race, sex, nationality, ethnicity, language, religion, or any other identity. In 2023, the Chorus Group published a [Human Rights Policy](#) which reflects our commitment to conduct business in a manner that is consistent with international standards for the protection of human rights, as expressed through the United Nations Universal Declaration of Human Rights and United Nations Guiding Principles on Business and Human Rights. The policy includes a particular emphasis on our commitment to prohibit the use of all forms of modern slavery of any kind in our operations or supply chain.

Our Human Rights Policy describes our approach to human rights and outlines the related expectations we have of our employees, our supply chain, and our business partners. Within it, we communicate our requirement that our suppliers have processes that respect human rights, and that they remedy any practice or policy that violates those rights. Employees of Chorus and its subsidiaries are encouraged to report suspected human rights violations using any one of several available avenues, including our Ethics Reporting Hotline. Reports made through our Ethics Reporting Hotline are reviewed by the Chair of the Audit Committee and reported on at quarterly Audit Committee meetings.

## *Supplier Code of Ethics*

We are committed to honesty and integrity in all our business dealings and expect the same of our suppliers. Our recently published [Supplier Code of Ethics](#) lays out the guiding principles that we expect to see met in the provision of goods and services to the Chorus Group, including that suppliers:

- avoid all forms of bribery, extortion, corruption and fraud;
- ensure that no forced or child labour is used within the supply chain; and
- comply with applicable employment and labour laws, including with respect to wages, rest periods, leave entitlements and collective bargaining rights.

We communicate our expectations to our suppliers using this Supplier Code of Ethics. We will continue to integrate adherence to the Supplier Code of Ethics into procurement processes and contracts. We are committed to working with suppliers to improve their performance where it falls short of our expectations, using our spend and contractual measures to drive change in supplier practices where necessary.

## **Supply Chain Risk Assessment**

As part of its corporate compliance program, Chorus completes a know-your-customer (“KYC”) assessment on customers and suppliers of aircraft parts or components over a certain monetary threshold. We rely on this KYC process to confirm our counter-party’s identity, understand the nature of their activities and gain assurance as to the source of funds. Throughout 2023, we worked with both Jazz and Voyageur to implement additional controls and due diligence processes in their supply chain.

Given the unique nature of the operations of Jazz and Voyageur, we elected to complete these assessments separately with the assistance of the procurement and sales teams from each subsidiary. We acknowledge that modern slavery risks in supply chains can often occur below the level of direct suppliers (i.e., sub-suppliers and providers of raw material), which can make it more difficult to identify and manage the risk of modern slavery. We also recognise that the level of modern slavery risk in supply chains is influenced by a range of factors, including geographic, sector and product specific factors, and we have incorporated these considerations into our assessment processes.

We distributed supply chain questionnaires to the top 50 suppliers by spend for both Jazz and Voyageur, respectively. We will use the data collected from these questionnaires to further understand both our tier one and tier two suppliers.

## **Supplier Due Diligence**

Throughout 2023, we worked with Jazz and Voyageur to implement additional supplier due diligence measures within their respective procurement processes where appropriate, and to strengthen contractual rights to require compliance with our Supplier Code of Ethics and related audit rights.

We will use the information obtained through this due diligence to reach an informed conclusion on a supplier’s modern slavery controls and practices and to enforce compliance with our policies. If the initial assessment indicates that a supplier falls within a high-risk category (e.g., due to location or product

category), a more detailed supplier review may be carried out. We will use this review to understand the supplier risk, determine what risk reduction measures may be required and work with the supplier to improve performance or, in exceptional cases, cease sourcing goods from the supplier. This approach will be modified to fit within the procurement processes at both Voyageur and Jazz.

### *Jazz*

Jazz is party to a capacity purchase agreement with Air Canada under which Air Canada purchases substantially all of Jazz's fleet capacity.

Jazz's supply agreements generally fall within three categories:

1. Suppliers evaluated, selected and contracted by Air Canada. Examples include fuel, glycol and crew uniforms. For these relationships, suppliers are assessed through Air Canada's supply management processes and contracted by Air Canada. Jazz receives goods from the suppliers under the terms of Air Canada's contract.
2. Suppliers that are recommended to Jazz by Air Canada. Examples include certain aircraft parts. These suppliers go through Air Canada's supply management process; however, in these relationships, either Jazz or Air Canada may contract with the supplier. If Jazz contracts with the supplier, it relies on Air Canada's assessment of the supplier but uses Jazz's own contractual provisions to govern the relationship with the supplier.
3. Suppliers that are evaluated, selected and contracted by Jazz without assessment by Air Canada. Examples includes certain aircraft parts, consumables and office supplies. In this circumstance, Jazz carries out the entire supplier evaluation and selection process, and contracts with the supplier directly.

For supply agreements in the first and second categories above, Jazz relies on Air Canada's procurement processes and controls, including with respect to preventing or reducing the risk of modern slavery. As a federally regulated Canadian company, Air Canada is also subject to the Act and it maintains policies and governance similar to Jazz's. Air Canada and Jazz are closely aligned when dealing with their supply chains.

### *Voyageur*

In 2023, Voyageur amended its procurement procedure manuals to incorporate modern slavery considerations into their supplier selection process. They also updated their standard purchase order form to include contractual obligations on the supplier to comply with the Supplier Code of Conduct and created a right to audit suppliers for compliance with this code. Beginning in 2024, high-risk suppliers will be sent a Vendor Quality Audit form which requests supplier confirmation that they have a risk management strategy to ensure modern slavery does not exist in their supply chain and that their employees receive training on modern slavery.

## **Training**

In advance of the publication of this report, we distributed a mandatory training module on modern slavery in the supply chain for those employees involved in procurement and supply chain management at Jazz and Voyageur, including senior management. The four-minute video examines modern slavery through a global lens and explains how to identify the risk of modern slavery in supply chains. The training program, includes:

- guidance on how to recognise potential modern slavery;
- signs and behaviours to look for; and,
- information on how to safely report suspected cases.

In addition, Jazz collaborated with the not-for-profit organization, #NotInMyCity, to create customized human trafficking awareness training. This training will be distributed to Jazz flight attendants throughout 2024 as part of their mandatory training and is focused on potential red flags of human trafficking and additional topics relevant to aviation.

## **Assessing Effectiveness**

We expect to continually improve our effectiveness in preventing modern slavery and will be integrating modern slavery considerations in periodic reviews of our suppliers.

Relevant policies, including our recently published Supplier Code of Ethics and Human Rights Policy, will be incorporated into our annual policy review process to ensure they remain up-to-date, reflective of our latest processes and in line with best practices.

We will track our efforts to mitigate the risk of modern slavery in our supply chain, including data on the number of our supplier questionnaires distributed and completed, suppliers flagged as high-risk and in-depth supplier reviews carried out. We will also track training completion rates and the number of contracts with human rights provisions included within them.

We are reviewing our policies, procedures and practices on an ongoing basis to make continual enhancements and improvements to help prevent modern slavery in our supply chain.

## ***Approvals***

This Report is made under the Act. It was reviewed by the executive of Chorus, Jazz and Voyageur. The Report was subsequently approved by the Chorus Board of Directors on May 6, 2024, and signed by Chorus' President and Chief Executive Officer.



*Attestation*

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

CHORUS AVIATION INC.

(signed) "*Colin Copp*"

Colin Copp  
President and Chief Executive Officer

*I have the authority to bind Chorus.*

May 6, 2024