

SKYTRAC

Annual Report on Forced and Child Labour Compliance For 2025

Presented by SKYTRAC SYSTEMS LTD.

COVER LETTER

Minister of Public Safety,

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 the entity or entities listed above. 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 above.



Malachi Nordine

President

11 May 2026

I have the authority to bind SKYTRAC Systems Ltd.

SKYTRAC Systems Ltd. Annual Report on Forced and Child Labour Compliance for 2025

Entity Information

Entity Name: SKYTRAC Systems Ltd. (Corporation)

Address: 210-1631 Dickson Ave, Kelowna, BC, Canada V1Y 0B5

Fiscal Year Covered by the Report: 2025

Contact Information for Inquiries: Shane Sullivan, Vice President of Operations

Entity Activities:

- Producing goods in Canada
- Selling goods in Canada and outside Canada
- Importing into Canada goods produced outside Canada.

Steps Taken to Prevent and Reduce Forced Labour and Child Labour Risks

In the previous financial year, SKYTRAC Systems Ltd. (“SKYTRAC”) has undertaken the following steps to prevent and reduce the risk of forced labour and child labour in its operations and supply chains:

- Conducting an internal assessment of risks of forced labour and/or child labour in the organization’s activities and supply chains.
- Gathering information on worker recruitment and maintaining internal controls to ensure that all workers are recruited voluntarily.
- Requiring suppliers to have in place policies and procedures for identifying and prohibiting the use of forced labour and/or child labour in their activities and supply chains.
- Auditing suppliers to ensure compliance with our standards and policies.
- Monitoring suppliers continuously to ensure ongoing adherence to our ethical standards.
- Developing and implementing training and awareness materials on forced labour and/or child labour to educate our workforce and suppliers.

Structure, Activities, and Supply Chains

Structure:

SKYTRAC operates with a comprehensive organizational structure led by a President, including:

- **VP, Engineering:** Oversees Software Engineering, IT, Software Test, Hardware Engineering, and Program Management.
- **VP, Finance & Admin:** Manages financial operations and administrative tasks.
- **VP, Sales & Marketing:** Handles sales strategies and marketing initiatives.
- **VP, Operations:** Responsible for Quality Assurance, Customer Support & Service, DAO, Production, Supply Chain, Customer Integration and Flight Data Monitoring.
- **Director, HR:** Manages human resources.

SKYTRAC does not have any subsidiaries.

Activities:

SKYTRAC provides solutions that connect crews, fleets, operators, and OEMs to improve flight safety and efficiency. Activities include:

- **Aviation Connectivity:** Providing Iridium aircraft connectivity for operational efficiency and safety.
- **All-in-One Platform:** Offering airtime, mission services, and components for various aerospace operations, including Unmanned Aerial Vehicles, Urban Air Mobility, and both fixed and rotary-wing aircraft.
- **Comprehensive Solutions:** Connecting aircraft to enhance safety and operational efficiency through avionics, software, and program management support.

Supply Chains:

SKYTRAC utilizes vendors primarily in North America. The supply chain is highly regulated to ensure compliance with standards and regulations from agencies such as Transport Canada (“TC”), the United States Federal Aviation Administration (“FAA”), and the European Union Aviation Safety Agency (“EASA”). Typical goods procured include:

- Circuit boards
- Wiring
- Metalwork
- Other components necessary for aviation avionics manufacturing

Due Diligence Processes and Policies

Due Diligence Processes:

To ensure compliance with our policies, SKYTRAC conducts rigorous due diligence on all suppliers, including:

- Embedding responsible business conduct into policies and management systems
- Identifying and assessing adverse impacts on operations, supply chains, and business relationships

Our processes include:

- **Vendor Qualification:** Ensuring all vendors meet our stringent qualification standards.
- **Periodic Audits:** Regular audits to ensure ongoing compliance with our requirements, including the prohibition of forced and child labour.
- **Continuous Monitoring:** Continuous monitoring of suppliers for compliance with ethical labour practices and regulatory requirements, taking corrective actions as necessary.

Policies:

SKYTRAC is committed to fostering an ethical culture and maintaining high standards for labour practices within its organization and supply chain. Our policies include:

- **Workplace Ethics Training:** Emphasizing the importance of ethical behavior through regular training sessions and applicable policies, aiming to establish a strong ethical culture within our company.
- **Vendor Management and Quality Systems:** SKYTRAC is an AS9100D (*Quality Management Systems - Requirements for Aviation, Space, and Defense Organizations*) certified company with a robust quality management and vendor management system that ensures all vendors are qualified and meet our regulatory oversight requirements. This system includes strict quality standards that vendors must adhere to.
- **Purchase Terms and Conditions:** Our purchase terms and conditions explicitly require vendors to represent and warrant that no forced or child labour is used within their supply chains. The specific clause states: *"Supplier represents and warrants to SKYTRAC that no forced labour or child labour is used by it or within its supply chain in respect to any products or services provided to SKYTRAC, and that Supplier is in compliance with Canada's Modern Slavery Act."*

Risk Assessment and Management

Risk Identification:

SKYTRAC conducts risk assessments of its activities and supply chains to identify the potential use of forced or child labour. Our assessment determined a **Low Risk** for these reasons:

- **Geographical Considerations:** Most vendors are in North America, where laws prevent child and forced labour.
- **Industry Regulation:** In the aviation industry, our supply chains have rigorous oversight by agencies like TC, FAA, and EASA. Ensuring strict traceability and accountability for all parts utilized.

Risk Management:

Given our assessment of extremely low risk, SKYTRAC maintains these practices:

- **Vendor Qualification:** Ensuring all vendors meet our stringent standards.
- **Continuous Monitoring:** Regular audits and monitoring of vendor compliance with ethical labour policies.
- **Warranty Requirements:** Requiring vendors to confirm the absence of forced or child labour in their supply chains.

Remediation Efforts

Remediation Measures:

SKYTRAC has not detected any instances of forced or child labour within its supply chains and has assessed the risk to be extremely low; no specific remediation measures have been necessary.

Support for Affected Families:

Not applicable, we have not identified any loss of income to vulnerable families resulting from measures taken to eliminate the use of forced labour or child labour in our activities and supply chain.

Training for Employees

Training Programs:

SKYTRAC requires all employees to complete mandatory ethics training covering general workplace ethics and compliance. We currently lack specific training on forced and child labour issues but plan to develop targeted training soon to ensure team members are fully informed about these risks and implications.

Effectiveness Assessment

Assessment Methods:

SKYTRAC utilizes its quality management system to continuously monitor vendor performance. This includes regular evaluations and audits to ensure compliance with ethical standards and contractual terms, especially concerning forced and child labour.

Key Performance Indicators:

- **Vendor Audits:** Periodic audits are a key metric to assess compliance.
- **Incident Reporting:** Findings of child or forced labour violations are promptly reported to authorities.

By maintaining these KPIs and continuously monitoring vendor performance, SKYTRAC ensures that any potential risks related to forced and child labour are identified and addressed promptly.



Malachi Nordine

President, SKYTRAC Systems Ltd.

11 May 2026

I have the authority to bind SKYTRAC Systems Ltd.