



*Canada's Cargo Airline*

**Report under the *Fighting Against Forced Labour and Child Labour in Supply Chains Act* for the Financial Year ending December 31, 2025**

**1. Introduction**

This report is issued by Cargojet Inc. on behalf of itself and its subsidiaries Cargojet Airways Ltd. and Aeroship Handling Ltd. (collectively, the “**Company**”) for the financial year ending December 31, 2025, which corresponds to the Company’s 2025 calendar-year reporting period, and outlines the steps taken by the Company to prevent and reduce the risk that forced labour or child labour is used at any step of the Company’s production of goods in Canada or elsewhere, or of goods imported into Canada by the Company.

This report is issued by the Company pursuant to Canada’s *Fighting Against Forced Labour and Child Labour in Supply Chains Act* (the “**Act**”). This report covers the activities of Cargojet Inc., Cargojet Airways Ltd., and Aeroship Handling Ltd.

**2. Measures that the Company has taken to prevent and reduce the risk of forced labour and child labour**

The Company places the highest importance on the safety of our employees, our customers, our suppliers and every other stakeholder with whom the Company may interact with while conducting its business activities, and we consider the well being of those who are employed by our business partners to be a part of the broader community to whom our culture of safety should apply.

As a result, the Company took the following steps during 2025 to prevent and reduce the risk of forced labour or child labour in the Company’s supply chains:

- continued the contractual integration and enforcement of our Supplier Code of Conduct, which expressly prohibits forced labour and child labour and forms part of our supplier onboarding, contracting, and audit framework;
- incorporated statements into our RFP documents whereby potential suppliers to the Company are required to certify their compliance with applicable laws regarding the prevention of forced labour and child labour;
- implemented a training course on modern slavery issues for personnel in our Strategic Sourcing & Procurement function; and
- continued implementation of our due diligence and supplier assessment processes as part of the Company’s supplier selection process, including conducting audits of supplier proposals where appropriate to identify potential forced labour or child labour issues.

**3. Structure, activities and supply chains**

Cargojet Inc. is incorporated under the *Business Corporation Act* (Ontario) (the “**OBCA**”), and its common shares and other securities are listed on the Toronto Stock Exchange. Cargojet Airways Ltd. and Aeroship Handling Ltd. are both incorporated under the OBCA and are, respectively, direct and



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indirect wholly owned subsidiaries of Cargojet Inc. The Company is headquartered in Mississauga, Ontario.

The Company is Canada's leading provider of time-sensitive premium overnight air cargo services and carries over 25,000,000 pounds of cargo weekly. The Company's business is comprised of the following:

- Operating a domestic air cargo network between 16 major Canadian cities each business day;
- Providing dedicated aircraft to customers on an Aircraft, Crew, Maintenance and Insurance basis, operating between points in Canada, North America, South America and Europe;
- Operating scheduled international routes for multiple cargo customers between the United States and Bermuda, and between Canada and Belgium; and
- Providing dedicated aircraft to customers on an *ad hoc* charter basis operating between points in Canada, the United States and other select international destinations.

The Company operates its business utilizing a fleet of all-cargo and passenger aircraft.

The Company's supply chain is comprised of suppliers of various goods and services associated with the Company's aircraft and ground handling operations and related maintenance activities. Examples include fuel, aircraft engines, airframes and aircraft structural components, avionics and other aircraft systems, ground support equipment, spare parts, and consumables and expendables related to the foregoing. The Company also purchases goods and services from suppliers who support the office and administration functions of the Company by way of the supply of goods and services of a general nature for use in its various offices across Canada.

The Company currently does business with approximately 2,200 suppliers, just over 92% of whom are located within Canada, the United States, the United Kingdom and Germany.

### **3. Policies and Due Diligence processes**

As set out in the Company's Environmental, Social and Governance Policy (the "ESG Policy"), safety is the Company's top priority and a core value. The Company is committed to creating working conditions that are safe, fair, and rewarding, and the Company's commitment to health and safety is further reflected in its standards, policies and practices. The ESG Policy also set out a commitment to ensuring that the Company's safety programs and practices are fully compliant to all regulatory requirements and adhere to all applicable workplace and employment standards, that the Company practices and promotes ethical operations with consideration for human rights, and the Company's commitment to supporting the principles of the Universal Declaration of Human Rights.

The Company's written code of ethics (the "Code") applies to all of the Company's officers, directors, employees, contractors and agents acting on behalf of the Company. The Code addresses, amongst other things, compliance with all laws, rules and regulations applicable to the Company and its activities, and the reporting of any violations of laws, regulations or the Code. The Board of Directors of Cargojet Inc. has ultimate responsibility for monitoring compliance with the Code of



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Ethics and it monitors compliance through its Chief Executive Officer and its Chief Financial Officer. The Code is filed with the Canadian securities regulatory authorities on the SEDAR+ website under the Company's profile at [www.sedarplus.ca](http://www.sedarplus.ca) and is available on the Company's website at <https://cargojet.com/corporate-policies/>.

In January, 2023 the Company implemented a Supplier Code of Conduct (the "Supplier Code"). As part of the implementation process, any new supplier to the Company is required to provide a written acknowledgement of the Supplier Code. Similarly, any existing active supplier who has not previously acknowledged the Supplier Code is required to do so as a condition of ongoing business with the Company. In addition, our contracting standards require that agreements with our suppliers contain covenants on the part of our suppliers to comply with all applicable laws and, more recently, specific covenants that they will comply with the Supplier Code; any breach of the foregoing covenants would enable the Company to terminate the relevant supplier relationship and/or pursue other applicable remedies.

The Supplier Code, which has been updated following the 2025 calendar-year reporting period, sets out the expectations that the Company has of its suppliers when doing business with the Company, and specifically prohibits any supplier from engaging in any practices which could constitute forced labour or child labour:

#### **"Law and Ethical Standards**

Suppliers are required to act in accordance with all applicable laws and regulations in the jurisdictions in which they operate and expected to conduct their business with integrity and in an ethical manner. Suppliers must respect human rights in accordance with applicable law and the International Labor Organization (ILO) Core Labor Standards and Declaration on Fundamental Principles & Rights at Work.

#### **Human Rights and Fair Labour Practices**

##### Child Labour

Suppliers shall not employ children under the legal age of employment in any country or local jurisdiction. Suppliers shall apply a minimum working age of 15 years, even where local legislation permits younger children to be employed. Workers under the age of 18 shall only perform work in accordance with legal requirements of their country of employment (e.g., with regards to working time and working conditions) and subject to any requirement regarding education or training.

##### Forced Labour

Suppliers shall not use any form of forced, bonded, compulsory labor or modern forms of slavery. All labor must be voluntary. Workers must be allowed to maintain control over their identification documents (e.g., passports, work permits or any other personal legal documents). Supplier shall ensure that workers do not pay fees or make any payment connected to obtaining employment throughout the hiring process and the employment period. Supplier shall be responsible for payment of all fees and expenses (e.g., licenses and levies) relating to workers, where legally required. Punishment, mental and/or physical coercion as well as any other form



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of human trafficking are prohibited. All disciplinary policies and procedures shall be clearly defined and communicated to the workers.”

The Supplier Code of Conduct supports the Company’s compliance with the Supply Chains Act and is a foundational element of the Company’s modern slavery risk management framework.

The Company regularly conducts a due diligence process as part of the supplier assessment process associated with RFPs and RFQs issued by the Company. In addition, the Company regularly conducts quality assurance assessments of those suppliers that directly support its aircraft operations. While neither of those processes are directed specifically at assessing whether a particular supplier is compliant with forced labour and child labour laws, the Company believes that the comprehensive nature of those assessments increases the likelihood of identifying any potential forced labour or child labour issues, following which the Company would take appropriate action.

In accordance with the Code and our Whistleblower Policy, should employees of the Company have any concerns regarding compliance with the Code or any other matter, including any concerns regarding forced or child labour, they have a responsibility to report their concerns. The Code and the Whistleblower Policy set out multiple ways for them to report any potential breach, on a confidential basis or not, such as reporting their concerns to supervisors, human resources representatives, members of the Company’s legal services team or senior management, or via a third party confidential hotline. The Supplier Code also encourages suppliers to report their concerns to the Company and provides suppliers with access to the same confidential hotline that is available to the Company’s employees.

#### **4. Assessing and managing our risk**

As at December 31, 2025 the Company employs approximately 2,030 personnel, almost all of whom are located in Canada, and has implemented recruiting, talent management, talent retention and working conditions processes which reflect the best practices and standards currently in force in Canada. All of the Company’s policies and practices related to the working conditions of its employees are in compliance with all applicable laws. Accordingly, the Company has assessed the risk of forced labour or child labour as minimal amongst the Company’s employees.

Within our supply chain, the Company has assessed the risk of forced labour or child labour amongst the Company’s first-level suppliers to be low. The Company’s aircraft operations, ground handling operations and maintenance activities are all conducted within a highly regulated industry, the result of which is that most of the goods and services that the Company procures are provided by suppliers who themselves are regulated by and subject to the oversight of various aviation regulatory authorities. Additionally, and as noted above, over 95% of our suppliers are located in Canada, the United States, the United Kingdom and Germany, each of which is a jurisdiction that has employment standards and modern slavery laws and regulations in place, and each of which is a jurisdiction having been identified as country with a low prevalence of modern slavery.<sup>1</sup> The result is that the vast majority of the Company’s operations and first-level suppliers operate within legal systems that already outlaw forced labour and child labour as a general matter, with the highly regulated nature of the aviation industry providing an additional layer of risk mitigation against any forced labour or child labour issues within the Company’s first-level supply chain.

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<sup>1</sup> The Walk Free Global Slavery Index (<https://www.walkfree.org/global-slavery-index/>)



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The Company recognizes that forced labour or child labour can arise at all levels of an organization's supply chain. At the present time, however, the Company's policies and processes to assess and mitigate the risk of forced labour and child labour are limited to the Company's employees and its first-level suppliers. Given the lack of a direct relationship between the Company and the suppliers to our first-level suppliers (i.e., second-level suppliers, etc.), assessing the risk of forced labour or child labour amongst indirect suppliers is inherently limited due to the lack of direct contractual relationships; however, the Company seeks to mitigate such risks through supplier contractual obligations, sector-based risk awareness, and targeted due diligence in higher-risk procurement categories. While such risks may be higher than the risks associated with the Company's first-level suppliers, the Company believes that any such higher risk amongst any indirect suppliers is limited to the procurement of items from industries that have traditionally posed a higher risk of forced labour or child labour, such as textiles used in the uniforms for our employees and electronics equipment and furnishings used within our offices.

#### **5. Measures taken to remediate any forced labour or child labour situations**

As noted above, the Code, the Supplier Code and the Whistleblower Policy outline various channels through which the Company's employees and suppliers may report legal or ethical violations or any other matter that may be of concern. To date, the Company has not received any reports from any person or entity that allege that the Company, its employees, or its suppliers may be engaged in any forced labour or child labour practices. If such a report were to be received, or if the Company were to identify any potential forced labour or child labour situation within its own operations or that of its supply chain, the Company would promptly investigate the matter and implement remediation measures proportionate to the risk and severity identified, which may include corrective action plans, enhanced monitoring, contractual remedies, and/or termination of the supplier relationship.

The Company did not identify any instances of forced labour or child labour within its operations or supply chains based on information reasonably available to it during the 2025 calendar year reporting period and accordingly did not implement any remedial measures, including any measures to remediate loss of income to vulnerable families. The Company recognizes the importance of this requirement and would assess appropriate remedial measures should such circumstances arise in the future.

#### **6. Training**

All the Company's employees are required to complete an onboarding training package which includes various training modules regarding workplace standards and health and safety topics. Employees are thereafter required to complete recurring training on those topics, in most cases on an annual basis. In addition, the Company's employees are required to confirm their commitment to abide by all of the Company's policies, including the Code and all policies related to workplace standards and health and safety.

The Company has implemented mandatory training on modern slavery for those employees in its Strategic Sourcing & Procurement function. Such training covers topics such as providing an overview of the regulatory framework related to modern slavery issues, identifying situations within



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which child and forced labour may be prevalent, and guidance on how to prevent child and forced labour within supply chains.

**7. Assessing effectiveness**


While the Company has implemented a number of measures and processes to mitigate the risk that forced labour or child labour is used in our operations or supply chains, as is noted above the Company believes the risk of forced labour or child labour in those operations or supply chains is minimal and low, respectively. The Company assesses the effectiveness of its approach through ongoing monitoring of supplier onboarding compliance, contractual adherence to the Supplier Code of Conduct, procurement training completion rates, and periodic reviews of supply chain risk indicators. These measures are reviewed and refined as part of the Company's continuous improvement approach.

**8. Approval**

This Report has been approved pursuant to Section 11(4) of the Act by the Board of Directors of Cargojet Inc. as a joint report for Cargojet Inc., Cargojet Airways Ltd. and Aeroship Handling Ltd. for the financial year ended December 31, 2025.

In accordance with the requirements of the Act, and in particular Section 11 thereof, the undersigned attest that we have reviewed the information contained in this Report for the entities listed above. Based on our knowledge, and having exercised reasonable diligence, we 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.

We have the authority to bind Cargojet Inc., Cargojet Airways Ltd. and Aeroship Handling Ltd. as of this 4<sup>th</sup> day of May, 2026.

By:   
Name: Ajay Virmani  
Title: Director, Executive Chairman

By:   
Name: Pauline Dhillon  
Title: Chief Executive Officer