CAE (UK) plc
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Project 127115
CARBON REDUCTION PLAN

14-003-2935

Issue 05

December 2025

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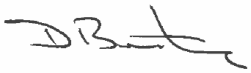
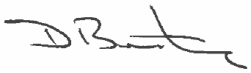
Document History Sheet

Issue Number	DCR Number	Amended Pages	Approved By (Signature)	Date
1	-	None (First Issue)	 Matt Disney	July 2022
2	4285	Approver modified to Dave Bentley. Changes made to Electric Car Leasing scheme.	 David Bentley	November 2022
3	4320	Updated with latest emissions data (Scope 1, 2 & 3) and FY23 specific information, as provided by CAE inc. New ISO 14001 Certificate.	 David Bentley	October 2023
4	4350	Approver modified to Karen Bremner. Updated with latest emissions data (Scope 1, 2 & 3) and FY23 specific information, as provided by CAE inc.	 Karen Bremner	July 2024
5	4384	Approver modified to Paul Hickox. Updated with latest emissions data (Scope 1, 2 & 3) and FY25 specific information, as provided by CAE inc.	 Paul Hickox	December 2025

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1 Introduction

The UK Government amended the Climate Change Act 2008 in 2019 by introducing a target of at least a 100% reduction in the net UK carbon account (i.e. reduction of greenhouse gas emissions, compared to 1990 levels) by 2050. This is known as the 'Net Zero' target.

This Carbon Reduction Plan (CRP) will provide details on CAE's carbon emissions and any current / future carbon reduction initiatives as well as CAE UK plc's commitment to achieving Net Zero in UK operations by 2050.

1.1 Declaration and Sign Off

CAE confirms that this Carbon Reduction Plan has been completed in accordance with the UK Government document PPN 06/21 and the associated guidance and reporting standard for Carbon Reduction Plans (CRPs).

Emissions have been reported and recorded in accordance with the published reporting standard for CRPs and the Greenhouse Gas (GHG) Corporate Accounting and Reporting Standard and use the appropriate Government emission conversion factors for GHG company reporting.

Scope 1 and Scope 2 emissions have been reported in accordance with SECR requirements, and the required subset of Scope 3 emissions have been reported in accordance with the published reporting standard for CRPs and the Corporate Value Chain (Scope 3) Standard.

This CRP has been reviewed and signed off by the Senior Management Team, as per the Document History Sheet (page ii).

2 REFERENCE DOCUMENTS

This document is based on, or references, the documents shown in the following sections.

2.1 External Documents

Table 2-1 External Documents

Document Ref.	Title	Revision
PPN 06/21	Taking Account of Carbon Reduction Plans in the procurement of major government contracts	05/06/2021
	CAE Annual Activity and Corporate Social Responsibility Report	Latest

2.2 Internal Documents

Table 2-2 Internal Documents

Document Ref.	Title	Revision
14-003-2424	CAE (UK) plc, Environmental Manual	Latest
CAE360	CAE Intranet	-
	Quality Management System	Latest

3 Commitment to Achieving Net Zero

CAE recognizes climate change as a defining global issue and understands that creating a sustainable future takes collective action. We remain committed to building sustainability into everything we do and to developing sustainable solutions.

In 2020, CAE became carbon neutral, compensating for its direct GHG emissions (scope 1), electricity indirect GHG emissions (scope 2) and emissions related to business travel of its employees by plane (partial scope 3) first through reducing our emissions at the source, through innovation in sustainable solutions and purchasing carbon offset credits equivalent to our residual emissions.

In FY24, CAE began transitioning away from carbon neutrality to emission reduction at the source by committing to science-based targets.

In FY25, CAE received approval of near-term (10 years) science-based reduction targets from the Science Based Targets initiative. By FY33, CAE Inc. commits to decreasing:

- Scope 1 and 2 emissions by 85.7% (against FY19 baseline)
- Scope 3 emissions by 32.5% (against FY22 baseline. Scope 3 target is applicable to only the following categories: purchased goods and services, capital goods and fuel and energy related activities).

Commitment to science-based targets (SBTs) underscores CAE's commitment to align with the latest climate science and to take meaningful action to reduce our impact on climate change.

In addition, in FY25, CAE's Business Units (BUs) developed their respective Scope 1 and 2 reduction plans through comprehensive analyses conducted at local sites where we operate and where our GHG emissions impact is most significant. With tactical decarbonization plans in place, our Civil Aviation and D&S BUs assume accountability to secure progress within the scope of their projects toward FY33 emission reduction targets. These plans leverage our current initiatives underlined under the four pillars of our current global climate change mitigation strategy.

CAE's climate change mitigation strategy, based on four sustainable streams (sourcing, products, buildings, and aviation), applies to its network of around 250 sites distributed in over 40 countries depending on CAE's level of operating control – as per GHG Protocol guidelines - and is meant to meet the company's reduction targets.

Going forward, decarbonization initiatives will be considered in all aspects of CAE's operations across the organization, throughout the lifecycle and included as a decision-making factor from the very start of proposals and investment business cases. In FY25, we developed a shadow Internal Carbon Price (ICP) process, a strategic initiative aimed at embedding carbon emissions management into forward-looking decisions. The shadow ICP

process is designed to equip the business leaders to integrate the carbon emissions associated with growth projects and the future investments needed to reduce them in capital allocation decisions and achieve our science-based targets. The shadow ICP will serve as an awareness tool, to provide visibility on project emissions and on the costs associated with eliminating them for better informed business decision-making. This new process will help the organization achieve better investments, including through lower carbon at controlled cost and further opportunities for operational expense reductions.

All CAE sites based in the UK support and implement CAE Inc's corporate sustainability strategy, with a particular focus on curbing energy consumption and carbon emissions.

See section 5.1 for details of CAE's emissions reduction targets.

CAE (UK) plc is putting in place environmental management measures to reduce emissions over time and make a commitment for UK Operations to achieve Net Zero by 2050.

4 Carbon Inventory: Emissions

4.1 Baseline Emissions Footprint

CAE understands that baseline emissions act as a reference point against which future emissions reductions are measured and provide a record of GHGs produced prior to the introduction of any formal reduction strategies.

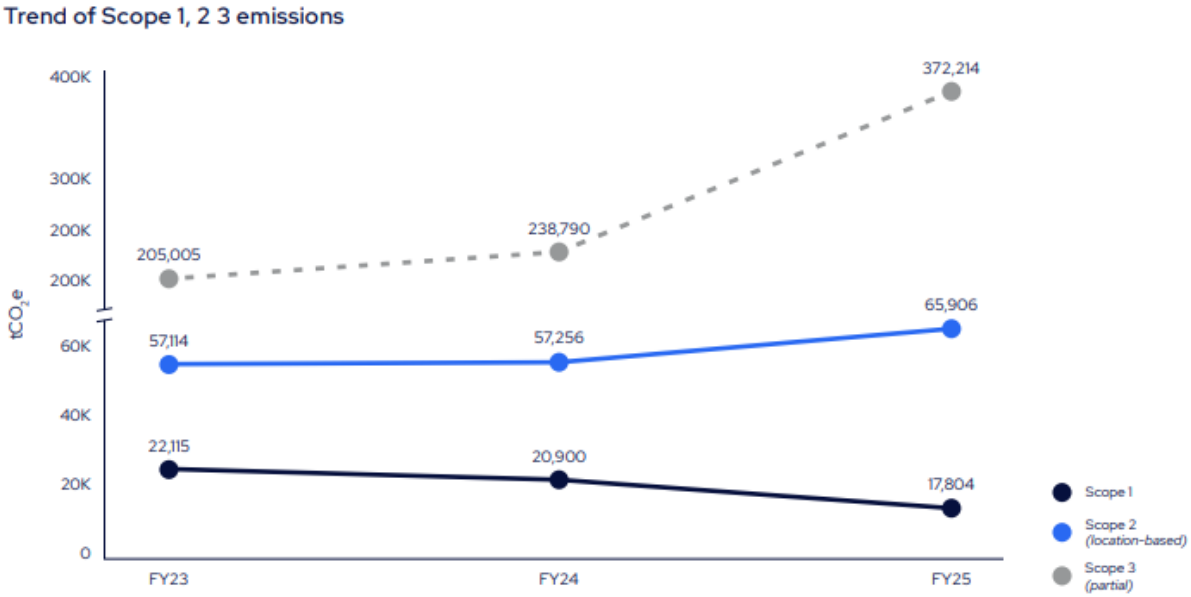


Figure 1 - Scope 1, 2 & 3 Emissions Trend by Financial Year

In 2024, CAE refined our calculation methodology for Scope 3 emissions categories 1 (purchased goods and services) and 2 (capital goods), progressively transitioning from a spend-based approach to basing our calculations on primary data provided by our suppliers. This hybrid methodology enables a better understanding of carbon intensive goods and services, allowing for more informed decisions on product design and materials selection and sourcing, ultimately reducing CAE's carbon footprint.

Aligned with our commitment to transparent and accurate disclosure of all sources of material emissions, CAE is now reporting a new category of emissions from our value chain associated with the use of products we sell. Category 11 (use of sold products) covers direct use-phase emissions from the electricity consumed over an average lifespan of 10 to 25 years by products sold and shipped by CAE during FY25, depending on the type of product or training device. Use profiles are based on the different markets for which CAE provides training. This explains most of the Scope 3 variance YoY.

Through this additional calculated category, we aim to provide an even more comprehensive view of our environmental impact and help customers assess their carbon footprint, ultimately driving innovation in energy efficiency. CAE is

continually improving the design of our simulators to foster energy efficiency and consequently reduce emissions.

When excluding the newly measured Scope 3 category use of sold products, CAE's total GHG market-based emissions[1] remained relatively stable year over year, decreasing by 0.88% to 261,244 tons of carbon dioxide equivalent (tCO_2e) in FY25 compared to 263,790 tCO_2e in FY24. Use of sold products added 132,961 tCO_2e to our global carbon inventory, bringing total market-based emissions to 394,205 tCO_2e.

The breakdown presenting the evolution of carbon emissions across each reported scope and category is provided in our FY25 Global Annual Activity and Sustainability report available on our website;

https://www.cae.com/sustainability.

4.2 Current Emissions Reporting

Table 4-1 Current Emissions Reporting

Reporting Year:	**FY25** (April 1st, 2024 to March 31st 2025)
EMISSIONS	**tCO_2e**
Scope 1:	• **17,804 tonnes**
Scope 2:	• Scope 2, Location-based emissions: **65,906 tonnes** • Scope 2, Market-based emissions **4,187 tonnes**
Scope 3:	• Cat. 1 & 2 (Purchased goods & services + Capital goods): **199,107 tonnes** • Cat. 3 (Fuel & Energy related activities): **18,820 tonnes** • Cat. 6 (Business Travel): **16,186 tonnes** • Cat. 7 (Employee commuting): **5,140 tonnes** • Cat. 11 (Use of sold products): **132,9617 tonnes –** First time calculation and reporting

[1] A location-based method reflects the average emissions intensity of grids on which energy consumption occurs (using mostly grid-average emission factor data), whereas a market-based method reflects emissions from electricity that companies have purposefully chosen. This method derives emission factors from contractual instruments, defined as any type of contract between two parties for the sale and purchase of energy bundled with attributes about the energy generation, or for unbundled attribute claims. Both methods are documented by the GHG Protocol

5 Carbon Reduction

5.1 Emissions Reductions Targets

In 2024, we shifted our focus from carbon neutrality to direct emissions reduction at the source to align with scientific recommendations for climate action. With our commitment to the Science Based Targets initiative (SBTi), we ceased the purchase of carbon offset credits to focus on our own decarbonization.

In FY25, CAE received approval of near-term (10 years) science-based reduction targets from the SBTi. By FY33, CAE Inc. commits to decreasing:

- Scope 1 and 2 emissions by 85.7% (against FY19 baseline)
- Scope 3 emissions by 32.5% (against FY22 baseline). Scope 3 target is applicable to only the following categories: purchased goods and services, capital goods and fuel and energy related activities).

CAE's strategy to reduce our GHG emissions at the source pursues opportunities identified under a decarbonization plan organized in four streams:

- sustainable buildings
- sustainable products
- sustainable aviation
- sustainable sourcing

5.2 Carbon Reduction Initiatives

5.2.1 Sustainable Buildings

In terms of energy strategy, **in 2023, CAE was admitted to the Climate Group's RE100 initiative, a collective of 400 global companies most committed to the use of renewable energy worldwide.** CAE's admission to this group is further testament to the strength of its achievements and commitments toward renewable energy. **Facilities under our operational control are sourced by renewable electricity, either through on-site consumption[2] or by purchasing Energy Attribute Certificates (EACs), where available within market boundaries or from neighboring markets.** We are progressing on our multi-year LED installation program, with 93% installation completed in buildings where CAE has operational control.

[2] For FY25, CAE's reporting is aligned with the RE100 definition of renewable electricity, which includes purchased RE100 compliant EACs. Under the RE100 framework, the grid electricity consumed at our Uruguay facility qualifies as default delivered renewable. Excluded in our definition is the biomass district heating system at our Oslo facility (Norway) as well as grid electricity consumed in Quebec (province of Canada) where our headquarters are located. RE100 recognizes grid electricity at the country level only and therefore does not recognize a province's grid. Close to 100% of the electricity distributed by Quebec's public utility company is reported to be generated from renewable resources.

- United Kingdom
  - All facilities for which CAE has operational control source their renewable electricity from sources with Guarantees of Origin.
  - Defence & Security became ISO 14001:2015 certified in January 2015 and has maintained certification since (see Annex A).
  - CAE UK D&S facilities are equipped with LED lighting and use motion activation outside of core office hours.
  - The CAE Cycle to Work allotment increased; the maximum amount that can be claimed for a bicycle is now £3,000.
- Other regions
  - In order to address building-related carbon emissions, a standard has been defined for the layout of CAE's offices. This standard is called 'Agora'. Our Agora workspaces improve on-campus environmental management by providing employees with the facilities and means to act in an environmentally responsible manner. By design, Agora contributes to reductions in energy consumption (LED lighting, open space design for efficient heating and cooling), encourages our ongoing transition to a more digital environment and contributes to reducing our carbon and energy footprint
- Globally
  - CAE's carbon built-in emission reduction strategy extends to its real estate portfolio and all new builds are designed with reduced energy consumption and enhanced carbon emissions management as guidelines from the pre-design phase onward.
  - As CAE buildings are its primary source of energy consumption (lighting, HVAC systems), CAE is effecting change with the building construction guidelines, developed to integrate environmental and energy efficiency requirements. Sustainabiliy features are part of that standard; they include building management systems, high-efficiency HVAC systems, LED lighting and more. This dynamic building design approach introduces emissions reduction measures at the pre-design phase, involves independent third-party analysis, and applies an evolutive and scalable engineering model. The CAE Savannah Training Centre in Georgia, served as a pilot project to apply the new standards, which have been demonstrated to reduce carbon emissions by 18% compared to traditional construction methods, based on local energy market conditions in Georgia.
  - CAE continues to broaden these guidelines, **now requiring that all new constructions obtain an energy certification recognized by the World Green Building Council.**
  - In FY25, CAE made progress in our global real estate portfolio modernization and optimization plan, as a result of the energy audits conducted in prior years.
  - CAE also developed and distributed the 'CAE Best Practices Energy Guide' to optimize energy use and maximize equipment performance at our facilities.

- Sustainable commuting options with appropriate infrastructures and incentive programs (charging station for electric vehicles, refunding of a portion of the public transportation fees, etc.) are also offered in several sites.

5.2.2 Sustainable products

By nature, our simulation products and services contribute to the decarbonization efforts of the industries we serve through the substitution of real flight training with FFS's. To illustrate the benefits, **the hours of pilot training conducted annually on CAE's full-flight simulators in our Civil Aviation business unit are estimated to be equivalent to over 5 million tons of CO_2e emissions that would have been generated if the same training had been performed using live aircraft.** This is particularly impactful for our Defense & Security branch: military training, unlike our Civil business, is not regulated. There is no regulatory obligation to train in a simulator vs. live flight training. With our products, we support our customers in reducing their environmental impact with our simulator and synthetic environments that also offer safer forms of multi-domain training. Together, we contribute to mitigating climate change on a global scale while enhancing training effectiveness and efficiencies.

As the core of our global manufacturing and flight training activities, simulators are fundamental to our decarbonization strategy:

- With 340+ FFSs deployed in our network, of over 70 locations globally, a significant part of our emissions are determined by decisions taken as early as at the product design stage. We embed sustainability within each generation of FFSs by capturing efficiencies that are then incorporated in the next design.
- To increase the sustainability of our product portfolio, we look at opportunities to incorporate eco-design specifications into our product manufacturing and sourcing processes. CAE's eco-design practices contribute to our decarbonization strategy by eliminating use of product components and production processes associated with CO2 e emissions. Additional eco-design factors include compliance, quality and reliability of resources, as well as product recyclability and maintainability.
- Our environmental design and performance considerations extend to materials used. We evaluate the recyclability and reusability of materials once a product is decommissioned and work with suppliers to capture economies throughout the product lifecycle. These efforts lead to the development of future products that are, at their core, more beneficial to our customers and the environment.
- We are working on exploring alternative motion systems and power management measures to reduce energy usage and improve the carbon footprint of our simulators.
- In 2021, CAE launched various innovative R&D projects to develop energy conservation solutions for our full-flight simulators. One opportunity CAE is looking into is the assessment of water, energy

and mineral consumption attached to the upstream process portion of the simulator lifecycle, which CAE oversees.

- We actively pursue ways to enhance the lifespan of decommissioned simulators and aircraft parts, collaborating with procurement experts and suppliers on how to reuse simulator parts and realize environmental benefits. From FY20–FY24, we completed more than 130 significant cockpit refurbishment projects for customers. The refurbishment efforts at CAE use parts from decommissioned simulators and/or aircraft cockpits, along with used parts and components sourced individually or as kits. These are then restored to like-new condition for use in our training products.
- Flightscape Solutions offer airlines and business jet operators flight management capabilities that enable them to reduce their carbon footprint through the optimization of flight plans and fuel consumption. Our digital ecosystem considers multiple factors (age of plane, engine type, day of flight, weather, navigation, weight/number of passengers) to determine the best route for optimal fuel and time savings, lowering fuel consumption and reducing carbon emissions.

5.2.3 Electric Aircraft Sustainable aviation

- Under Project Resilience, a £750 million investment in innovation, CAE is exploring actions to go beyond compensation and take concrete action to further reduce the carbon footprint generated by the aviation fuel consumption of its fleet of aircraft operated at CAE flight training operations (FTOs) worldwide.
- CAE is advancing the electric conversion program with its industry partners taking concrete actions to reduce emissions from fuel consumption. This includes creating an electrical conversion kit for third parties and developing a training curriculum and support services for the electrified Piper Archer aircraft.
- This initiative directly addresses a significant portion of our Scope 1 carbon emissions by curbing aviation fuel consumption.

5.2.4 Sustainable Sourcing

Through several programs and initiatives, CAE actively engages our suppliers to launch projects to reduce their carbon footprint, track their GHG emissions and include environmental criteria in their activities.

- Over 90% of CAE’s strategic suppliers representing about 98% of our spend participated in CAE Resilient Together in FY25, our Supply Chain Management Program introduced in FY24 and designed to mutually reinforce both operational excellence and sustainability with its partners. Under this program, the company prioritizes key areas such as decarbonization and supply chain risk monitoring. CAE evaluates its suppliers' capabilities in calculating their Scope 1, 2 and 3 emissions, formulating and implementing decarbonization strategies in line with their carbon reduction targets. Based on this assessment, CAE provides them with training and support to evolve their business, operations and sustainability practices.

- CAE further embeds sustainability in the sourcing processes, starting with the sourcing templates (i.e. request for proposal, request for information) as needed to achieve appropriate level of granularity on sustainability criteria. CAE embeds ESG criteria into its sustainable sourcing process and tools to better reflect their role in the total cost of doing business with potential suppliers; this includes environmental impact and sustainability-related risks. To that effect, these new performance evaluation criteria are part of its Supplier Recognition Program, which underscores supplier excellence in the adoption of sustainability and social mindfulness practices.CAE Purchasing General Terms and Conditions were also updated.
- The majority of our suppliers are located within a 500-kilometre radius of our operations, reducing CAE's Scope 3 global GHG emissions related to transportation of goods and services. Local sourcing is a primary criterion in CAE's supplier selection and we dual source to increase our supply network's resiliency. We also encourage our suppliers to select commodities and partners with the lowest environmental impact.
- CAE transports large, heavy and fragile parts daily, either to our locations or those of our customers. Logistics are critical to how we lower the environmental impact of our operations and supply chain, from packaging to routes, to promote sustainability and responsible business practices.
- In FY23, we improved transport logistics by changing the way we move and group components. In FY24, we focused on making our North America routes more efficient and cutting down on packaging.

5.2.5 Others

- Other initiatives of reduction of CAE's carbon emissions:
    - Various operational improvement projects are deployed. These initiatives encompass optimizing real estate services, further digitalizing the processes, and ultimately generating significant and recurring economies of scale for CAE, including energy consumption and carbon emission reductions.
    - CAE has been observing Earth Day and Earth Hour for several years with different local environmental activities to raise the environmental awareness of the employees and of the community.
    - As part of its commitment to carbon neutrality, in FY20, CAE embarked on a more formal process to comprehensively address climate change risks. CAE created a Climate Change Committee (CCC), that is tasked with conducting a full assessment of climate-related risks and opportunities. The CCC's ultimate purpose is to oversee the integration of climate-related issues into CAE's business strategy, and to identify and manage risks and opportunities.In FY22, the Climate Change Committee first completed a comprehensive risk assessment deep dive at six CAE facilities (representative of CAEs activities and global footprint) under a low and a high

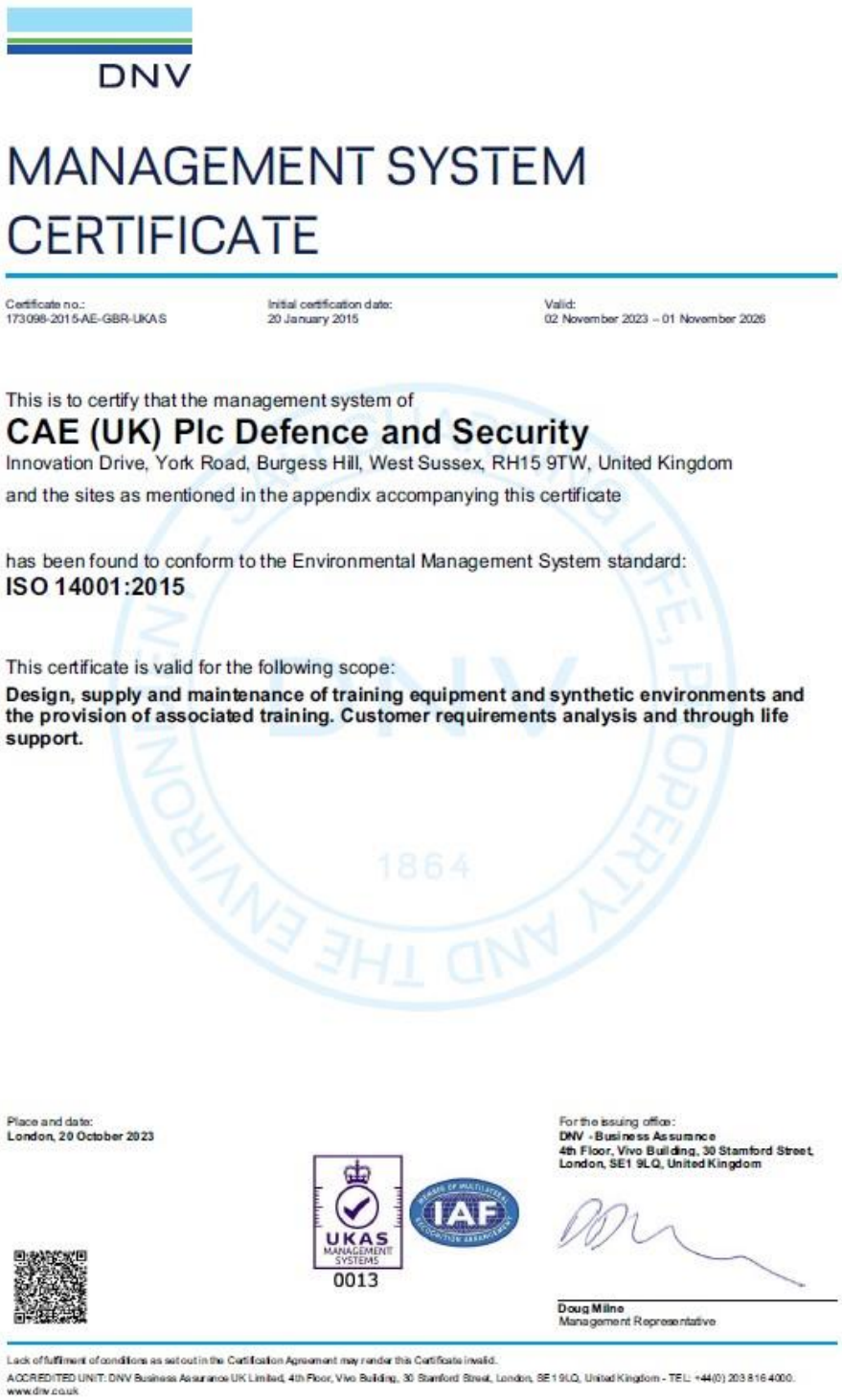
warming scenarios to identify and assess physical and transition risks. This initial assessment was leveraged to further understand our risk exposure and define further actions. In accordance with our Climate change adaptation roadmap, in FY24, the Board of Directors and EMC members were trained on climate risks and opportunities in the context of our organization and industry. The same year, CAE also conducted a pilot project using climate risk indicators across a sample of its global network to estimate the financial impacts of key climate-related risk, aiming to inform future resilience planning and decision-making. In FY25, we conducted a global physical climate change risk assessment which includes the review of potential vulnerabilities of our operations worldwide.

- The introduction of an Electric Vehicle leasing scheme to all UK employees - employees are able to lease electric vehicles and pay for them through the payroll and benefit from salary sacrifice.
- In a first of its kind at CAE, solar panels were installed at the Burgess Hill facility in July 2025.
  - *Note: The installation consisted of approximately 2,000 solar panels, which are now generating nearly 20% of the site's annual electricity needs*

5.2.6 Future Carbon Reduction Initiatives

Going forward, decarbonization initiatives will be considered in all aspects of CAE's operations across the organization, throughout the lifecycle and included as a decision-making factor from the very start of proposals and investment business cases. In FY25, we developed a shadow Internal Carbon Price (ICP) process, a strategic initiative aimed at embedding carbon emissions management into forward-looking decisions. The shadow ICP process is designed to equip the business leaders to integrate the carbon emissions associated with growth projects and the future investments needed to reduce them in capital allocation decisions and achieve our science-based targets. The shadow ICP will serve as an awareness tool, to provide visibility on project emissions and on the costs associated with eliminating them for better informed business decision-making. This new process will help the organization achieve better investments, including through lower carbon at controlled cost and further opportunities for operational expense reductions.

Annex A - ISO 14001 Certificate



DNV

MANAGEMENT SYSTEM CERTIFICATE

Certificate no.:
173098-2015-AE-GBR-UKAS

Initial certification date:
20 January 2015

Valid:
02 November 2023 – 01 November 2026

This is to certify that the management system of

CAE (UK) Plc Defence and Security

Innovation Drive, York Road, Burgess Hill, West Sussex, RH15 9TW, United Kingdom

and the sites as mentioned in the appendix accompanying this certificate

has been found to conform to the Environmental Management System standard:

ISO 14001:2015

This certificate is valid for the following scope:

Design, supply and maintenance of training equipment and synthetic environments and the provision of associated training. Customer requirements analysis and through life support.

Place and date:
London, 20 October 2023

UKAS MANAGEMENT SYSTEMS 0013

IAF

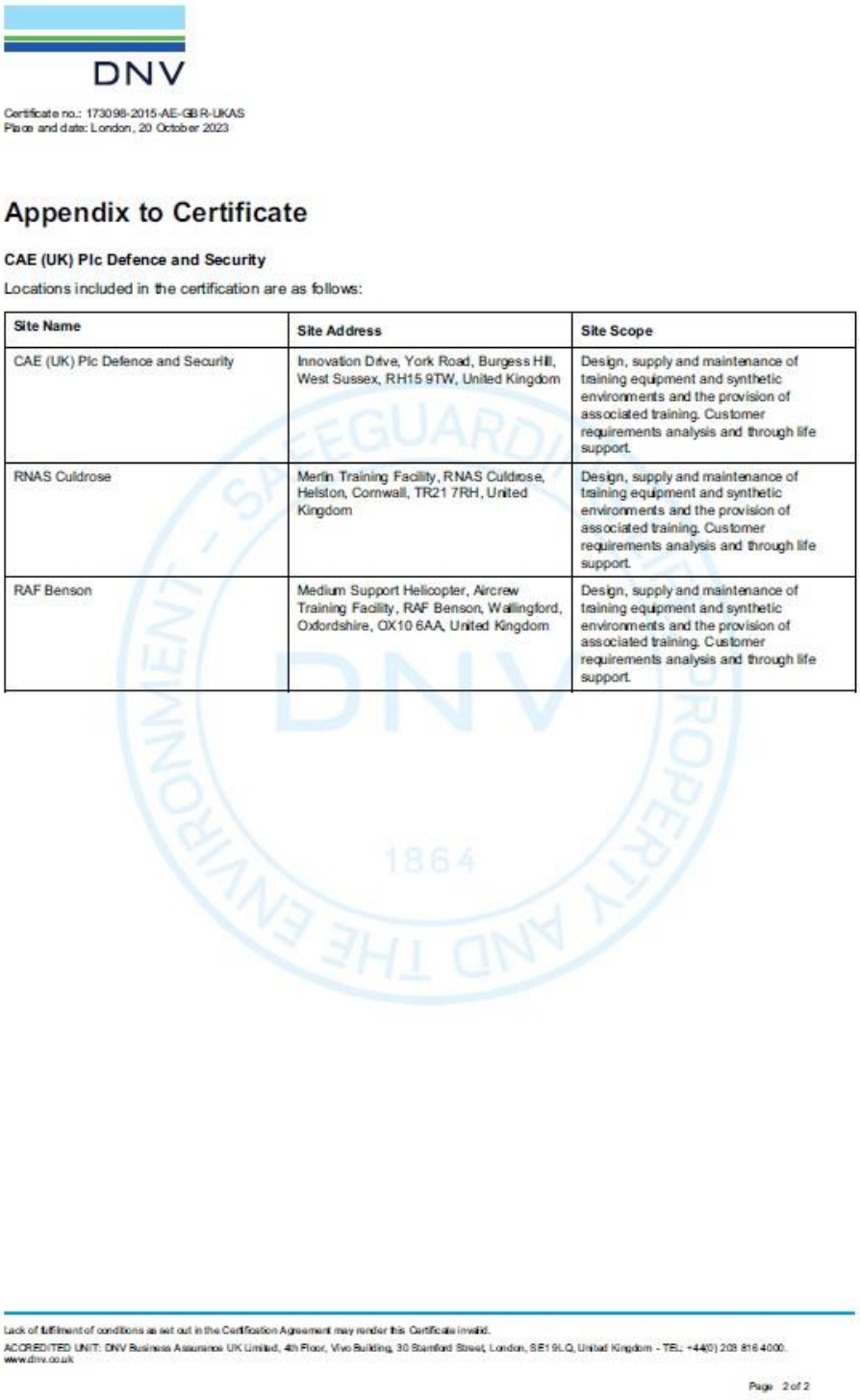
For the issuing office:
DNV - Business Assurance
4th Floor, Vivo Building, 30 Stamford Street, London, SE1 9LQ, United Kingdom

Doug Milne
Management Representative

Lack of fulfilment of conditions as set out in the Certification Agreement may render this Certificate invalid.

ACCREDITED UNIT: DNV Business Assurance UK Limited, 4th Floor, Vivo Building, 30 Stamford Street, London, SE1 9LQ, United Kingdom - TEL: +44(0) 203 816 4000. www.dnv.co.uk

Figure 2 – ISO 14001 Certificate (Burgess Hill)



DNV

Certificate no.: 173098-2015-AE-GBR-UKAS
Place and date: London, 20 October 2023

Appendix to Certificate

CAE (UK) Plc Defence and Security

Locations included in the certification are as follows:

Site Name	Site Address	Site Scope
CAE (UK) Plc Defence and Security	Innovation Drive, York Road, Burgess Hill, West Sussex, RH15 9TW, United Kingdom	Design, supply and maintenance of training equipment and synthetic environments and the provision of associated training. Customer requirements analysis and through life support.
RNAS Culdrose	Merlin Training Facility, RNAS Culdrose, Helston, Cornwall, TR21 7RH, United Kingdom	Design, supply and maintenance of training equipment and synthetic environments and the provision of associated training. Customer requirements analysis and through life support.
RAF Benson	Medium Support Helicopter, Aircrew Training Facility, RAF Benson, Wallingford, Oxfordshire, OX10 6AA, United Kingdom	Design, supply and maintenance of training equipment and synthetic environments and the provision of associated training. Customer requirements analysis and through life support.

Lack of fulfilment of conditions as set out in the Certification Agreement may render this Certificate invalid.
ACCREDITED UNIT: DNV Business Assurance UK Limited, 4th Floor, Vivo Building, 30 Stamford Street, London, SE1 9LQ, United Kingdom - TEL: +44(0) 208 816 4000.
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Figure 3 – ISO 14001 Certificate (UK Military Sites)