



FISCAL YEAR 2026

Global Annual Activity and Sustainability Report

CAE

About this report

Approach and scope

Our Global Annual Activity and Sustainability Report consolidates CAE's strategy, environment, social and governance performance and FY26 results into a single document. This unified view provides stakeholders a cohesive perspective of these interconnected areas.

Our approach also signals that we regard sustainability as inseparable from CAE's core business strategy and activities, built into everything we do from the start. This report covers our global operations and, unless otherwise stated, presents quantitative and qualitative information for the fiscal year ended March 31, 2026 (FY26).

This content has undergone formal internal review and approval by senior management and the Board of Directors. **Scope 1 and Scope 2 greenhouse gas emissions (GHG)** disclosed for FY26 have received external limited assurance, reflecting CAE's continued progress toward alignment with the Corporate Sustainability Reporting Directive (CSRD).

Financial information and companion documents

All figures are in Canadian dollars, unless otherwise specified. For comprehensive financial, strategic and governance details, please consult our [FY26 Management's Discussion and Analysis \(MD&A\)](#) and [Consolidated Financial Statements](#), as well as these companion documents:

 [FY26 Annual Information Form](#)

 [FY26 Management Proxy Circular](#)

Feedback

We welcome your views on the topics covered in this report. Please send your comments, suggestions and questions to sustainability@cae.com.

Reporting standards and frameworks

CAE diligently monitors evolving sustainability disclosure regulations across our global operations to ensure our reporting remains aligned with the latest legal and financial requirements. We adhere to these reporting standards and frameworks:

GHG Protocol Corporate Standard – For all calculations related to GHG emissions.

GRI – Disclosures cited in our [GRI Content Index](#). CAE has reported with reference to the GRI Standards for the period April 1, 2025, to March 31, 2026.

International Financial Reporting Standards (IFRS) Sustainability Disclosure Standards – Advancing toward alignment with IFRS S1 and S2. Maintains disclosures following [Task Force on Climate-related Financial Disclosures \(TCFD\)](#) recommendations and industry-specific [SASB Standards](#) for the Aerospace & Defense and Professional & Commercial Services sectors. Detailed disclosures are available in our [Climate change adaptation](#) section and [SASB Index](#).

CSRD – Transition in process to evolve reporting to align with the European Sustainability Reporting Standards (ESRS). Results from CAE's first double materiality assessment (DMA) for FY26 are disclosed in the [Sustainability program](#) section of this report. In addition, each material topic disclosed is tagged to the relevant ESRS topic to support transparency and traceability; however, this sustainability statement has not been prepared in accordance with the ESRS.

United Nations Global Compact (UNGC) and Sustainable Development Goals (SDGs) – Signatory to the UNGC, abiding by its Ten Principles. Progress is measured against the six SDGs integrated into our corporate strategy and business model. CAE's latest annual [Communication on Progress \(CoP\)](#) is available on the UNGC digital platform.

External disclosures – Transparency maintained through CDP reporting (capturing our progress against Science Based Target initiative-approved targets), RE100 membership, and other external disclosure frameworks.



Non-IFRS and other financial measures

This report includes non-IFRS financial measures, non-IFRS ratios, capital management measures and supplementary financial measures. These measures are not standardized financial measures prescribed under IFRS and therefore should not be confused with, or used as an alternative for, performance measures calculated according to IFRS. Furthermore, these measures should not be compared with similarly titled measures provided or used by other issuers. Management believes that these measures provide additional insight into our operating performance and trends and facilitate comparisons across reporting periods.

For further information, refer to non-IFRS and other financial measures definitions in our [Appendix](#).

Performance Measures

- Gross profit margin (or gross profit as a % of revenue);
- Operating income margin (or operating income as a % of revenue);
- Adjusted segment operating income or loss;
- Adjusted segment operating income margin (or adjusted segment operating income as a % of revenue);
- Adjusted effective tax rate;
- Adjusted net income or loss;
- Adjusted earnings or loss per share (EPS);
- EBITDA and Adjusted EBITDA;
- Free cash flow.

Liquidity and Capital Structure Measures

- Non-cash working capital;
- Invested capital;
- Adjusted return on invested capital (ROIC);
- Net debt;
- Net debt-to-capital;
- Net debt-to-EBITDA and net debt-to-adjusted EBITDA;
- Maintenance and growth capital expenditures.

Growth Measures

- Adjusted order intake;
- Adjusted backlog;
- Book-to-sales ratio.



Definitions of all non-IFRS and other financial measures are provided in Section 11.1 “*Non-IFRS and other financial measure definitions*” of the FY25 Management Discussion and Analysis (MD&A) to give the reader a better understanding of the indicators used by management. In addition, when applicable, we provide a quantitative reconciliation of the non-IFRS and other financial measures to the most directly comparable measure under IFRS. Refer to Section 11.1 “*Non-IFRS and other financial measure definitions*” of the [FY26 MD&A](#) for references to where these reconciliations are provided.

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A message from our Chief Executive Officer

Sharpening our focus, strengthening our future

As I complete my first year as President and Chief Executive Officer of CAE, I am more convinced than ever of the remarkable opportunity ahead of us. Building on a strong foundation, we have a plan to maintain our market leadership and unlock the company's full financial potential.

That conviction is why I joined CAE: an iconic company with an industry-defining role in civil aviation and defence; a talented and global team with technology and relationships to lead in both markets; and strong underlying sector growth supporting both businesses for years to come.

Airlines and business aircraft operators will need more pilots, technicians and crew over time, supporting demand for high-quality training in civil aviation. In defence, governments and allies are making generational investments in readiness by modernizing training and ramping up mission rehearsal. CAE has the capacity and technological edge to lead in both.

Our vision is to achieve consistent and reliable operational growth.

That focus is reflected in clear financial targets for FY2030: approximately \$125 million to \$150 million annual transformation run-rate savings¹ and \$950 million to \$1 billion of adjusted segment operating income (under our updated definition)¹, underpinned by strong cash conversion and a leadership team focused on execution.

We have taken practical steps over the past year to advance this goal. Notably, this includes a streamlined organizational structure dedicated to customer focus and growth but also balancing operations and free cash flow. ▶



Matthew Bromberg

President and Chief Executive Officer

¹ This report includes historical and forward-looking non-IFRS financial measures, non-IFRS ratios, capital management measures and supplementary financial measures. These measures are not standardized financial measures prescribed under IFRS and therefore should not be confused with, or used as an alternative for, performance measures calculated according to IFRS. Furthermore, these measures should not be compared with similarly titled measures provided or used by other issuers. For historical measures, refer to Section 11.1 "Non-IFRS and other financial measure definitions" and Section 11.3 "Non-IFRS measure reconciliations" of CAE's MD&A for the year ended March 31, 2026 (which sections are incorporated by reference into this report) for the definitions and reconciliations of these measures to the most directly comparable measure under IFRS. For forward-looking measures, refer to the "Forward-looking financial measures" section of our May 21, 2026 press release announcing the results of our fourth quarter and full fiscal year 2026 (which section is incorporated by reference into this report) for definitions and reconciliations of these measures to their historical equivalents.

Operating with greater focus and discipline

To convert this ambition into results, we launched a transformation focused on three priorities: focusing our portfolio where we excel, taking action to improve capital discipline across our current footprint and future investments, and finally creating and building a culture, operating cadence and toolset that support continuous improvement and performance. Together, they sharpen our focus on where we can win, where returns are strongest, and how the business performs and generates cash.

Portfolio

We are simplifying the portfolio and directing resources where CAE can compete, win and create the greatest value. About eight per cent of our revenue is non-core, and throughout fiscal 2027, we will streamline the company and strengthen our focus. The strategic review of Flightscope, announced in May, is one example. It is intended to position the software business for its next phase of growth while supporting a simpler, more focused CAE.

Capital discipline

We are taking a pragmatic approach to capital allocation and see areas where we can reduce our footprint and rationalize our civil training network. This reduction of almost 10% of our commercial aviation capacity will better align our network with demand, improve service delivery, and reinforce financial returns. We are also bolstering our future capital discipline, so every dollar deployed meets strategic and financial thresholds. This requires assessing capital expenditures, research and development, and operating spend across the organization, so resources are directed toward opportunities that can open attractive markets, solidify our competitive position and generate sustainable returns. In fiscal 2026, that meant lower capital expenditures year over year and rigorous cash discipline across the system.

That discipline is already producing results. We moved to a more conventional definition of free cash flow¹ to improve transparency and accountability. We expect early free cash flow¹ improvement as we realign the operating model and prioritize higher-return initiatives. With deleveraging ahead of plan, we have greater flexibility to assess and execute our capital allocation priorities.

Performance

We are raising the bar on performance. That includes simplifying our operations and processes, investing in our factory and tools, and modernizing our workflow. This will enable more productive and profitable use of simulators, resources and assets, reducing complexity across sites and strengthening accountability. We are operating at a steady pace and applying more discipline after investments are made. ▶



¹ This report includes historical and forward-looking non-IFRS financial measures, non-IFRS ratios, capital management measures and supplementary financial measures. These measures are not standardized financial measures prescribed under IFRS and therefore should not be confused with, or used as an alternative for, performance measures calculated according to IFRS. Furthermore, these measures should not be compared with similarly titled measures provided or used by other issuers. For historical measures, refer to Section 11.1 "Non-IFRS and other financial measure definitions" and Section 11.3 "Non-IFRS measure reconciliations" of CAE's MD&A for the year ended March 31, 2026 (which sections are incorporated by reference into this report) for the definitions and reconciliations of these measures to the most directly comparable measure under IFRS. For forward-looking measures, refer to the "Forward-looking financial measures" section of our May 21, 2026 press release announcing the results of our fourth quarter and full fiscal year 2026 (which section is incorporated by reference into this report) for definitions and reconciliations of these measures to their historical equivalents.

Civil Aviation

Structural demand protecting returns through the cycle

Most of the world's population has yet to fly, highlighting the long runway ahead for aviation growth. Civil Aviation is a core driver of CAE's value creation. As one of the global leaders in aviation training, with the largest simulator training network in the industry, we are exceptionally well positioned to benefit from structural growth in air travel and a significant global need for aviation talent.

Major OEMs continue to carry deep order backlogs, reinforcing sustained demand for pilots, technicians and crew. By 2034, we estimate nearly 1.5 million civil aviation professionals will be needed, and CAE is ready to help train them at scale.

While long-term fundamentals remain strong, fiscal 2026 demonstrated softness in Civil Aviation. Many factors tamped down market growth, including geopolitical uncertainty, events in the Middle East, OEM supply chain shortages, and aircraft groundings. This has required thoughtful operating choices. We have remained selective, prioritizing the quality of earnings over volume, and adjusted our outlook early as visibility evolved. Our revision reflected that selectivity, not a change in the underlying long-term demand profile. The same selectivity is shaping how we run the Civil business. We are pursuing synergies between our Business Aviation and Commercial Aviation segments, where it makes sense, including shared infrastructure, systems and back-office teams, while tailoring the customer experience to each segment. This reduces duplication and creates more capacity to advance products and technologies where customers value it most.

Throughout this period, we hit important industry milestones, including the certification of the Boeing 777-9 FFS and the delivery of Joby and Eve simulators, early entrants in the emerging eVTOL market. Both reinforce CAE's role as a trusted provider that delivers high-technology training devices and differentiated integrated training solutions.

The result is a Civil business built to deliver stronger returns through the cycle. ▶



Defense & Security

Positioned for a multigenerational investment moment

Demand in Defense & Security is evolving quickly. For the first time in decades, the defence industry is entering a growth cycle of a scale and duration that rivals civil aerospace. We are shaping the business for repeatable growth aligned with customer needs and sovereign investment.

Our role in that cycle is anchored in the strengths of the business today.

In simulation and mission rehearsal, CAE is one of the largest independent defence training providers, with the broadest platform and capability portfolio in the industry. Our enduring franchises anchor multi-decade programs and support careers that can span a lifetime at CAE, creating recurring revenue and a sturdy foundation for the business.

During fiscal 2026, we strengthened that foundation by implementing a unified global defence leadership team while maintaining the dedicated U.S. governance required for that market. This is improving speed, alignment and accountability across the organization while enhancing our ability to execute consistently.

Through CAE USA, we continue to deliver mission readiness to the U.S. Department of Defense, including F-16 training systems, while remaining aligned with major modernization priorities such as the U.S. Air Force's Next-Generation Survivable Airborne Operations Center aircraft.

That same strategic focus on readiness and sovereign capability is increasingly evident in Canada. The Defence Industrial Strategy, announced by Prime Minister Mark Carney at our Montreal headquarters, together with an \$82 billion commitment to defence spending over the next five years, creates a significant domestic opportunity for CAE, including training across air, land, sea, space and cyber that reinforces Quebec and Canada as world-class aerospace hubs.

More broadly, these priorities are also shaping demand across NATO and allied countries, where we deepened key relationships during the year, including through a worldwide co-operation agreement with Saab on GlobalEye and a sovereign training program with Australia's Future Air Mission Training System. ▶



Sustainability

Driving efficiency and long-term value

Sustainability is embedded in how we operate and how we make decisions across CAE. It is part of building a stronger, more efficient company for the long term. We continue to integrate it into project evaluation, capital allocation and product development, and we review progress regularly as part of our operating rhythm.

That includes improving the efficiency of our operations, reducing energy use in our facilities and advancing next-generation products designed to lower power consumption and environmental impact. We are also incorporating carbon considerations into investment decisions so that business cases reflect both financial returns and emissions impact. These efforts reflect a practical approach to sustainability; one that supports performance, discipline and responsible growth.

Looking ahead

Taken together, these changes reinforce my confidence in CAE's future. With our new structure and leadership team in place, we are well positioned to capture the growth opportunities ahead in both Civil Aviation and Defense & Security, while navigating near-term cycles with discipline and care.

Our strategy is clear: expand margins, improve cash flow, reduce capital intensity and simplify the company to create long-term value.

None of this is possible without our people. I want to thank CAE employees for their commitment, professionalism and resilience through a period of meaningful change.

I am also deeply grateful to Calin Rovinescu and the Board for their guidance and support throughout this transition.

Finally, I would like to thank our customers, partners and shareholders for their continued trust and confidence in CAE.

The responsibility that comes with being one of the world's largest training organizations is not lost on us. We are proud of the role CAE plays in preparing people for missions where performance, readiness and safety matter most. CAE plays an important role in making the world safer, and we will continue to earn that role every day through execution, innovation and trust. ■

* This report includes forward-looking statements about our activities, events and developments that we expect to or anticipate may occur in the future including, for example, statements about our fiscal 2027 consolidated financial outlook, long-term transformation plan targets to fiscal 2030, transformation costs and savings, vision, strategies, market trends and outlook, future revenues, earnings, cash flow growth, profit trends, capital spending, expansions and new initiatives, including initiatives that pertain to sustainability matters, financial obligations, available liquidities, expected sales, general economic and political outlook, inflation trends, prospects and trends of the industry, expected annual recurring cost savings from operational excellence programs, management of the supply chain, estimated addressable markets, demand for CAE's products and services, access to capital resources, our financial position, expected accretion in various financial metrics, expected capital returns to shareholders, business outlook and opportunities, objectives, development, plans, growth strategies and other strategic priorities, our competitive and leadership position in our markets, expansion of our market shares, CAE's ability and preparedness to respond to demand for new technologies, the sustainability of our operations, and other statements that are not historical facts. By their nature, forward-looking statements require us to make assumptions and are subject to inherent risks and uncertainties associated with our business which may cause actual results in future periods to differ materially from results indicated in forward-looking statements. While these statements are based on management's expectations and assumptions regarding historical trends, current conditions and expected future developments, as well as other factors that we believe are reasonable and appropriate in the circumstances, readers are cautioned not to place undue reliance on these forward-looking statements as there is a risk that they may not be accurate. For more information, readers should refer to the sections "Caution regarding forward-looking statements" and "Material assumptions" under Section 2 of CAE's MD&A for the year ended March 31, 2026 and in our May 21, 2026 press release announcing the results of our fourth quarter and full fiscal year 2026, which sections are incorporated by reference into this report.

At CAE, we exist to make the world safer.

Our cutting-edge training, simulation and critical operations solutions empower pilots, cabin crew, maintenance technicians, airlines, business aviation operators, and defence and security personnel to perform at their best every day and when the stakes are the highest.

We equip those in critical roles with the skills and expertise needed to move our world forward safely. We provide digitally immersive training and operational support solutions to two markets globally:

Civil Aviation

Including 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 and aircraft finance leasing companies.

Defense & Security

Including defence forces, original equipment manufacturers (OEMs), government agencies and public safety organizations (MROs), worldwide.

Our mission

We deliver cutting-edge training, simulation and critical operations solutions to prepare aviation professionals and defence forces for the moments that matter.

Our vision

To be the trusted partner in advancing safety and mission readiness, defining the standard of excellence in training and critical operations by harnessing technology and enhancing human performance.

We are a proud partner of choice for those operating in the most complex environments.



Roots in innovation

When Ken Patrick, a former Royal Canadian Air Force officer, founded CAE in 1947, his goal was to "... take advantage of a war-trained team that was extremely innovative and very technology intensive." By the early 1950s, we were already creating our first flight simulators. One innovation led to another and, by 1982, we had developed a flight simulator so realistic that training on real aircraft was no longer necessary.

The rest is history.

FY26 Corporate financial highlights

\$4.9 billion

Annual revenue

\$19.2 billion

Adjusted backlog ¹

\$5.0 billion

Adjusted order intake ¹

\$791.9 million

Net cash provided by operating activities

\$473.8 million ^{1,2}

Annual free cash flow ¹

\$612.3 million

Operating income

\$710.7 million

Annual adjusted segment operating income (SOI) ¹

\$0.97

Diluted EPS

\$1.20

Adjusted earnings per share (EPS) ¹

¹ Non-IFRS financial measure, non-IFRS ratio, capital management measure, or supplementary financial measure. Refer to the [Appendix](#) for the definitions and reconciliations of these measures to the most directly comparable measure under IFRS.

² In the fourth quarter of fiscal 2026, the free cash flow definition was revised to include growth capital expenditures and capitalized development costs and exclude dividends paid. Comparative figures have been reclassified to conform to these changes.

Our strategic pillars

Market leadership

We have established ourselves as a leader across our markets by being a trusted partner for our stakeholders and by embracing customer centricity. Looking forward, there remains significant headroom for continued growth in our large addressable markets. As a result, we are constantly seeking out ways to focus our portfolio around our core capabilities and enhance the performance of our customers. These actions will enable us to continue to win in our markets and extend our leadership positions. Furthermore, our products are deployed with a focus on integrated sustainability.



Revolutionizing training

We have a history of nearly 80 years of applying innovation and technology to create novel, world-class solutions and generate long-term competitive differentiation. We are established as one of the global leaders in training, digital immersion, and modelling and simulation technologies. We use focused technology development to improve the performance of our businesses and generate value for our customers.



Efficient growth

We aim to maximize the benefits of our strong competitive positions and our ongoing transformation efforts to deliver profitable growth, higher returns on invested capital and improved free cash flow conversion. As we work to transform the business by continuing to focus on improved performance and capital discipline, we will drive operational excellence and cost optimization, and apply a more prudent approach to pursuing both organic and inorganic growth.



Skills and culture

Our core values are innovation, integrity, empowerment, excellence and One CAE. We employ these values across a diverse global team to drive a unique social impact. We look to create a high-performing culture that values teamwork, professional growth, engagement and ownership. As a result, our employees across the globe share a passion to enhance safety and prepare our customers for the moments that matter.



Advancing safety, performance and sustainability across the industry

Impact inherent to CAE's business model

CAE's business model delivers tangible societal and environmental benefits, directly linked to our core activities and operational footprint. Safety is central to this impact. In FY26, CAE delivered more than 1.3 million simulator training hours in our Civil network worldwide, supporting airlines, air navigation service providers, business aviation operators and defence partners in maintaining pilot proficiency, meeting regulatory requirements and reducing operational risks. By enabling high-fidelity, data-driven training, CAE contributes to safer skies and higher operational standards across the aviation industry.

In defence, CAE's Live, Virtual and Constructive (LVC) ecosystems enable forces to rehearse complex, multi-domain operations at scale, supporting global security through enhanced mission readiness, deterrence and operational effectiveness in an increasingly uncertain geopolitical environment.

CAE's products and solutions generate measurable operational and environmental outcomes. Training analytics, adaptive learning and unbiased feedback enhance training quality and efficiency while preserving the highest safety standards. Airline operations solutions improve flight planning and operational efficiency, contributing to reduced fuel consumption and associated emissions. Mission-grade synthetic environments further improve resource efficiency by shifting high-intensity training from live assets to digital platforms without compromising readiness.

Simulation-based training enables customers to reduce fuel consumption and greenhouse gas emissions across the full lifecycle of training activities by replacing live aircraft flights with high-fidelity simulators. Each year, pilot training conducted in our Civil business on CAE full-flight simulators is estimated to be equivalent to over 10 million tonnes of CO₂e that would otherwise have been emitted through live aircraft training. Sustainable design and lifecycle management programs further support circularity through the refurbishment, upgrade and reuse of simulators and cockpit components, reducing material intensity and waste.

Beyond technology, CAE strengthens the resilience of the global aviation and defence ecosystem by developing the pilots, engineers and technicians of tomorrow. Through training programs, STEM partnerships and work-integrated learning initiatives – including Indigenous engagement – CAE helps build a diverse, inclusive and skilled talent pool. By making careers in aviation and defence more visible and accessible, CAE supports social inclusion while ensuring the sector is equipped with the human capital required to meet growing global demand and evolving operational requirements.

CAE's impact extends across our value chain, where responsible supply chain management supports operational resilience and continuity. Close collaboration with strategic suppliers, structured governance and targeted capability-building programs strengthen our global supply network and support the management of environmental and social risks. Initiatives such as CAE Resilient Together, supplier sustainability assessments and dual-sourcing strategies enhance continuity of supply, adaptability to regulatory change and long-term performance across the aerospace and defence value chain. ▶

Sustainability driving performance, discipline and resilience

Sustainability is embedded in CAE’s business strategy and transformation agenda. This synergy strengthens execution discipline, supports competitiveness and reinforces long-term resilience across the organization.

This strategy enables efficient growth by improving operational performance and capital discipline. Energy efficiency initiatives and sustainable design standards deliver measurable cost reductions and improved asset utilization across CAE’s global footprint, including energy audits and targeted upgrades that have reduced electricity consumption at key sites.

Sustainability considerations are systematically integrated into capital allocation, product development and portfolio reviews, ensuring investments reflect customer demand, regulatory exposure, lifecycle costs and risk. CAE’s internal carbon shadow price further reinforces disciplined decision-making by embedding carbon risk alongside financial criteria in major capital and M&A evaluations.

This approach strengthens market leadership and competitive positioning. Robust sustainability credentials respond to increasing customer and regulatory expectations in both civil aviation and defence markets, supporting contract eligibility, customer trust and competitive differentiation. By supporting customers’ compliance journeys and operational objectives, CAE reinforces our role as a trusted, long-term partner in highly regulated and mission-critical environments.

Risk management and resilience are core outcomes of CAE’s sustainability strategy. Climate, regulatory and supply chain risks are proactively identified and managed through structured governance, audit-ready data and consistent operating processes. Responsible supply chain management reinforces continuity of supply, adaptability to regulatory change and execution reliability across the value chain – critical enablers during periods of transformation and external volatility.

Sustainability also underpins skills, culture and organizational effectiveness. Leadership accountability reinforces a culture of rigour, transparency and continuous improvement. Sustainability-driven purpose and inclusion initiatives contribute to attracting, developing and retaining talent, particularly in competitive technical and engineering roles. Our capacity-building programs equip teams with the skills needed to execute effectively and manage change.

Regulatory preparedness and data discipline are essential to transformation. CAE continues to develop audit-grade sustainability data, enhance assurance readiness and fit-for-purpose reporting through close collaboration between sustainability, finance, internal audit and operations. This disciplined approach reduces execution risk, supports compliance and ensures decision-useful information for management, customers and investors.

Through this integrated approach, sustainability directly advances CAE’s transformation priorities and strategic pillars. It drives operational efficiency, reinforces competitiveness, manages risk, and supports talent and execution discipline – contributing to durable performance and long-term value creation in a complex global environment. More broadly, CAE’s sustainability commitments resonate with employees and are a source of shared pride and meaning within the organization. ■



Civil Aviation

Elevating and advancing
human performance



About us

Solutions that enhance human performance

At CAE, we enhance our customers' performance and the safety of their operations. Through our immersive training solutions and experiences, we help our customers build the necessary skills to take safer actions and make better decisions – faster. Our operations management technology solutions help more efficiently manage flight resourcing and simplify processes for our customers' crews so everyone can focus on the critical tasks at hand.

Elevating human performance in everything we do

We are in the business of empowering our customers and their teams – so we put them at the centre of everything that we do. We are never satisfied with “good enough” – we are always looking for ways to enhance their experience with CAE. Our dedicated and talented team brings decades of industry-leading expertise to provide solutions, services and experiences that enable our customers to be their best every time they take to the skies.

Envisioning the future of flight

We are committed to always being at the forefront of helping improve flight. For the next generation of flight to take off, it needs to be safe – and people need to trust that it is safe. At CAE, we are working hard to make that happen. From building digital training solutions that enable next-generation flight, to creating AI platforms that work smarter, we are working continuously to empower people and facilitate the future of flight.

Year in review

\$2.7 billion

Annual revenue

\$8.4 billion

Adjusted backlog ¹

\$2.6 billion

Adjusted order intake ¹

\$437.9 million

Operating income

\$510.5 million

Adjusted segment operating income (SOI) ¹

0.96 x

Book-to-sales ratio ¹

70%

Civil training centre utilization ²

52

FFS deliveries ²

¹ Non-IFRS financial measure, non-IFRS ratio, capital management measure or supplementary financial measure. Refer to the [Appendix](#) for the definitions and reconciliations of these measures to the most directly comparable measure under IFRS.

² Supplementary non-financial information.

Defense & Security

Training and mission-rehearsal solutions that support readiness



About us

Training and mission-rehearsal solutions that support mission readiness

At CAE, we prepare people for success in critical defence and security environments. Through mission-rehearsal and operational support, we build the skills, experience and confidence required to support readiness and informed decision-making.

Delivering advanced technologies and integrated solutions for evolving geopolitical landscapes

We apply digital and simulation-based capabilities to create realistic mission-rehearsal environments and deliver analysis that supports informed decision-making and effective operations. We are committed to providing scalable training solutions at the pace and point of need.

Expanding the horizons of technology for a safer future

Our rapidly changing world drives defence forces to modernize and transform to maintain their advantage. We remain at the forefront of new technology as a platform-agnostic provider, enabling readiness and mission success across evolving operational demands. By advancing immersive training environments, we allow complex scenarios to be rehearsed safely and repeatedly, complementing live training and supporting responsible, scalable force preparation.

Year in review

\$2.2 billion

Annual revenue

\$10.8 billion

Adjusted backlog¹

\$2.4 billion

Adjusted order intake¹

\$174.4 million

Operating income

\$200.2 million

Adjusted segment operating income (SOI)¹

1.10 x

Book-to-sales ratio¹

¹ Non-IFRS financial measure, non-IFRS ratio, capital management measure or supplementary financial measure. Refer to the [Appendix](#) for the definitions and reconciliations of these measures to the most directly comparable measure under IFRS.

Sustainability reporting



A message from our Chief People and Sustainability Officer

At CAE, we prepare aviation professionals and defence forces for the moments that matter, advancing our mission through training and technology to contribute to a safer, more resilient and sustainable world.

This report details our actions over FY26 and how CAE’s deeply rooted purpose creates long-term value for our customers, employees, shareholders and society. It serves as a mirror and a map that reflect who we are and where we are going, how we are tracking our sustainability progress, and where we need to push further.

Strategic relevance in shifting global context

CAE operates in a rapidly shifting global landscape. Decarbonization, AI-driven technological change, workforce transformation and expanding regulatory expectations continue to redefine what responsible business looks like. In parallel, geopolitical tensions and evolving defence priorities have reinforced the essential role of safety, sovereignty and readiness.

Amidst these changes, stakeholders increasingly expect companies to demonstrate strong climate risks management, human rights due diligence, responsible technology practices, transparency articulated around credible data and consistent governance. Accordingly, CAE extends business conduct accountability beyond our direct control and works with partners and suppliers to generate positive impact across the entire value chain.

These converging imperatives are reshaping our operating model, with sustainability an essential driver of organizational performance: advancing energy and resource efficiency; strengthening workforce engagement and capacity; improving supply chain reliability and resilience; and reducing risk in a volatile global context. As CAE advances our transformation agenda, sustainability brings practical discipline to how decisions are made across the business and to how outcomes are measured and managed. It helps sharpen investment choices by integrating energy, resource and risk considerations into capital allocation. Embedded across our operating model and supply chain, sustainability strengthens execution and continuous improvement, reinforcing CAE’s ability to adapt and remain competitive. ▶



Hélène V. Gagnon

Chief People and Sustainability Officer

Steady progress and momentum in CAE’s sustainability trajectory

We continue to build momentum in core areas of our sustainability agenda.

Over the year, we made substantial strides across several strategic priorities, ranging from our decarbonization roadmap and Supply Chain Performance Management Program to our dedicated work on human rights, Indigenous relations and community engagement.

These results were supported by strengthened governance controls and increased cross-functional ownership.

As part of this year’s progress, we published our double materiality assessment – included in this report – a comprehensive exercise conducted in alignment with the Corporate Sustainability Reporting Directive standards and reflecting the direct relevance of sustainability-related risks and opportunities to enterprise performance. Additionally, the external assurance of select sustainability data points in this report marks a significant milestone in the maturity of our disclosures.

This independent validation strengthens the credibility of CAE’s climate action and affirms sustainability as a driver of long-term performance. Our approach enhances our competitiveness by enabling differentiated value for our customers, reducing operational and transition risks, and supporting our ability to attract and retain top talent. This progress is powered by One CAE collaboration and by working in close partnership with our suppliers and business partners to accelerate substantive impact.

While important work lies ahead, we remain confident in our direction. Advancing the energy transition, meeting evolving climate-disclosure expectations and deepening supply chain traceability will require our sustained focus and collective commitment.

As we advance along our sustainability trajectory, CAE’s mission, people and partnerships position us to continue making meaningful contributions to a safer, more sustainable world. ■



Sustainability program

Mindset and strategy

CAE builds sustainability into our strategic decision-making, considering it fundamental to our business model, long-term growth and values. This proactive stance ensures that sustainability remains a driver in our strategic planning, instilling a culture of accountability and progress throughout the organization.

Building on this strong foundation, we focus our strategy on delivering tangible business outcomes to our customers and our company. This involves articulating and operationalizing objectives associated with our most material issues around clear, quantifiable targets in alignment with CAE’s business strategy.

In a rapidly evolving regulatory landscape, our commitment to transparency remains paramount. We closely monitor global regulatory changes to anticipate upcoming compliance requirements where we operate. Prior to these changes coming into force, we continuously refine our strategies to ensure ample time for effective communication and implementation. We are establishing strong data accountability and streamlining collection processes to ensure accuracy and continuity, which are essential for performance comparability.

As a leading practice, we regularly assess our sustainability strategy, maintaining an agile and forward-looking approach that allows our organization to proactively adapt to future challenges and opportunities.

In the context of CAE’s transformation, sustainability priorities support disciplined execution and capital discipline while strengthening CAE’s ability to navigate regulatory, market and operational complexity. By integrating sustainability into strategic planning, capital allocation, product lifecycle choices and supply chain governance, CAE strengthens risk management, operational performance and resilience. This alignment ensures that sustainability contributes to measurable durable performance and long-term value creation.

Materiality approach and reporting standards

As part of our ongoing efforts to strengthen the quality and relevance of our sustainability reporting, CAE conducted a double materiality assessment (DMA) in FY26 to evaluate sustainability matters from both impact and financial perspectives and determine their relative significance to our business, stakeholders, society and the environment.

Our analysis follows the guidance of the European Sustainability Reporting Standards (ESRS) and is complemented by continued reporting under Global Reporting Initiative (GRI) and Sustainability Accounting Standards Board (SASB) Standards.

CAE’s double-materiality process

- Assessed 30+ sustainability matters
- Applied an ERM-aligned scoring approach, using consistent criteria reflecting the direct relevance of sustainability-related risks and opportunities to enterprise performance
- Evaluated impacts, risks and opportunities across our value chain (upstream, operations, downstream)
- Gathered input through surveys and targeted interviews with internal and external stakeholders

Material impacts, risks and opportunities

Our DMA identified seven of the 10 ESRS topics as material to CAE.

These results confirm the relevance of E1 – Climate change and E5 – Resource use and circular economy, reflecting CAE’s most significant environmental impacts and risks: greenhouse gas (GHG) emissions across the value chain, potential climate-related supply chain disruptions, energy resource depletion and waste generation, while also recognizing CAE’s contribution to climate mitigation through simulation-based training substitution, with growing demand also indicating an area of business opportunity.

All four social ESRS (S1–S4) qualify as material due to CAE’s broad workforce footprint, supplier dependencies, extensive interactions with communities and the safety-critical nature of our training solutions. Material impacts and risks include both positive outcomes and areas requiring vigilance.

Positive impacts extend to enhanced aviation and military safety, inclusive employment practices and community development, strengthened by research and development.

Governance is also material through G1 – Business conduct, as responsible conduct, anti-corruption controls and ethical compliance present both risks (e.g., sanctions, legal liabilities) and positive impacts related to transparency and global regulatory adherence.

These double materiality assessment results are consistent with CAE’s previous materiality assessment, reinforcing the continuity of our priority areas and the direction of our multi-year sustainability roadmap.



Transition of CAE’s materiality framework to ESRS

CAE is initiating the transition from our legacy materiality framework to the double materiality requirements under CSRD: the mapping below clarifies how CAE’s established areas of focus correspond to the topical ESRS and to related underlying subtopics.

| ESRS topics | ESRS subtopics (assessed as material for CAE) | CAE topics (as distinct sections of this report) |
|--|--|--|
|  E1 Climate change | <ul style="list-style-type: none"> – Climate change mitigation – Climate change adaptation – Energy | <ul style="list-style-type: none"> – Climate change mitigation – Climate change adaptation – Energy – Responsible supply chain management |
|  E5 Resource use and circular economy | <ul style="list-style-type: none"> – Resource inflows, including resource use – Waste | <ul style="list-style-type: none"> – Responsible resource use – Responsible supply chain management |
|  S1 Own workforce | <ul style="list-style-type: none"> – Working conditions – Equal treatment and opportunities for all (<i>Talent attraction</i>) – Other work-related rights (<i>Privacy</i>) | <ul style="list-style-type: none"> – Talent management – Human rights – Data privacy and cybersecurity |
|  S2 Workers in the value chain | <ul style="list-style-type: none"> – Working conditions (<i>Health and safety</i>) – Other work-related rights (<i>Child labour, forced labour, adequate housing and privacy</i>) | <ul style="list-style-type: none"> – Global safety – Human rights |
|  S3 Affected communities | <ul style="list-style-type: none"> – Communities’ economic, social and cultural rights – Rights of Indigenous Peoples (<i>Cultural rights</i>) – Other: Indirect economic and social impacts | <ul style="list-style-type: none"> – Global safety – Education and community engagement – R&D and innovation |
|  S4 Consumers and end users | <ul style="list-style-type: none"> – Information-related impacts (<i>Privacy</i>) – Personal safety (<i>Security of a person</i>) | <ul style="list-style-type: none"> – Data privacy and cybersecurity – Global safety |
|  G1 Business conduct | <ul style="list-style-type: none"> – Corporate culture – Protection of whistleblowers – Political engagement and lobbying activities – Management of relationships with suppliers, including payment practices – Corruption and bribery | <ul style="list-style-type: none"> – Corporate governance – Business ethics – Data privacy and cybersecurity – Responsible supply chain management |

Multi-year sustainability roadmap

In consultation with subject matter experts across CAE, we developed and maintain a multi-year sustainability roadmap for FY24–28 that aligns with the expectations of our stakeholders, addresses the sustainability topics most material to our industry and supports CAE’s transformation agenda. The roadmap is reviewed and updated annually to reflect progress achieved, evolving regulatory requirements and changes in CAE’s strategic priorities.

CAE’s roadmap organizes actions under the pillars of environment, social and governance, assigning objectives and reporting targets to reinforce our sustainability objectives. This multi-year plan focuses our impact and performance on the areas that matter most and translates into concrete, execution-focused initiatives.

Since FY24, we have operationalized this roadmap, implementing initiatives aimed at achieving the key results identified under the three pillars of sustainability, strengthening operating model effectiveness and building long-term resilience across the organization and value chain.

FY24–28 roadmap development highlights

- › Involved 15 working groups, including cross-functional teams, mandated to develop objectives consistent with our business strategy
- › Identified objectives that incorporated best practices, analyses, stakeholder pulse and market signals
- › Approved by CAE’s Executive Management Committee and Board of Directors

As our organization continues to deliver on this plan, we adjust our approach where needed to address emerging topics, evolving priorities and the broader sustainability landscape. This FY26 Sustainability Report covers core areas under CAE’s environmental, social and governance responsibility. To provide a transparent view of our progress, we cover topic relevancy, our management approach and performance.

Key priorities roadmap

| Environment  | Social  | Governance  |
|--|---|--|
| <ol style="list-style-type: none"> 1. Decarbonize our operations across all the value chain and all products and services, as per our science-based targets 2. Improve the sustainability impact of current and future products and services 3. Proactively position CAE to adapt to climate change risks | <ol style="list-style-type: none"> 1. Be a world-class leader in safety 2. Foster a culture of inclusion and equal opportunities across the value chain and within all the communities where we operate 3. Conduct our business in accordance with human rights standards 4. Equip the next generation of talent and advance research and innovation in our industries 5. Enhance our positive impact on our communities | <ol style="list-style-type: none"> 1. Elevate our digital responsibility 2. Drive engagement on sustainability from our suppliers 3. Conduct our business with the highest governance, management and ethical standards |

Progress on our Sustainable Development Goals

In FY20, CAE's Sustainability Committee analyzed the 17 United Nations Sustainable Development Goals (UN SDGs) and identified five key areas where our organization and our people could have the most impact. Building on this foundation, CAE's FY26 DMA expanded this focus to include SDG 9: Industry, Innovation and Infrastructure.

Under the Committee's ongoing guidance, we pursue concurrent initiatives spanning these six SDGs to strengthen our global sustainability contribution.



SDG3 | Good health and well-being

Ensuring healthy lives and promoting well-being at all ages are essential to sustainable development.

CAE's contribution

Our business units' solutions are aimed at enhancing safety and mission readiness to mitigate operational risk.

We prioritize health and safety through people-centric policies, expanded safety training, and comprehensive health benefits and wellness initiatives that support the well-being of employees and contractors in all our working environments.

We continuously strive to reduce work-related incidents and improve safety performance in live aviation training.

We uphold robust data protection practices to safeguard individual privacy and promote psychological well-being and trust in the workplace.



SDG4 | Quality education

Inclusive and equitable quality education enables upward socioeconomic mobility and is a key to escaping poverty.

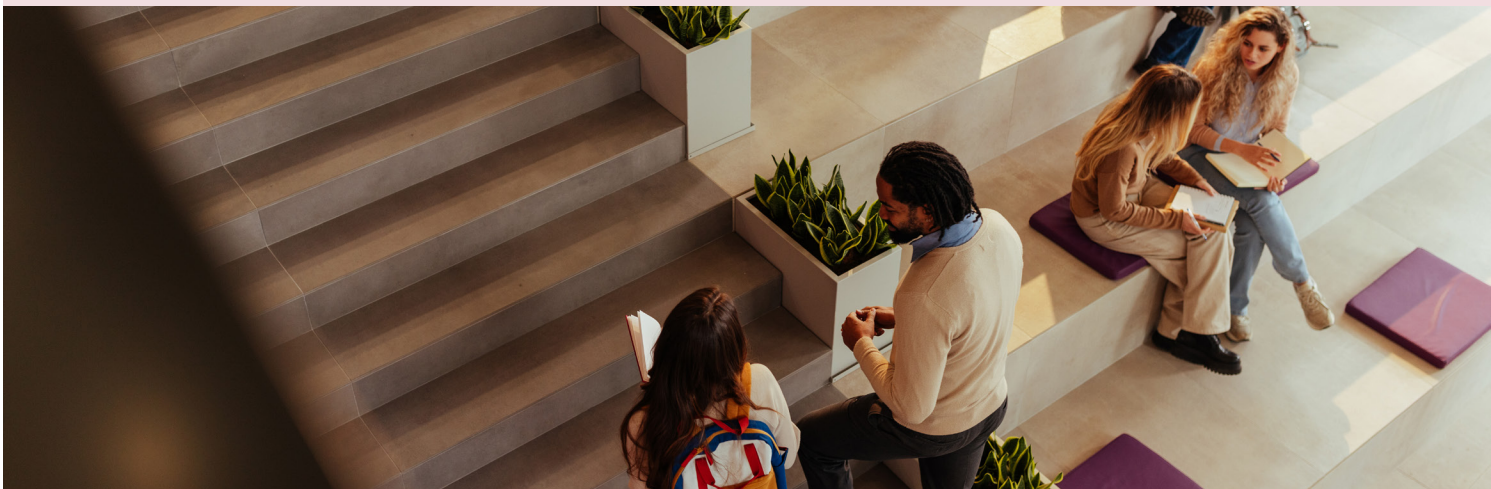
CAE's contribution

We maintain strong partnerships with higher education institutions, research centres and industry organizations to deliver collaborative research, work-integrated learning and innovation initiatives that support upskilling in local communities.

Our scholarships and strategic alliances equip pilots and other aviation professionals with lifelong learning opportunities to navigate evolving technological and regulatory landscapes.

Our comprehensive training programs enhance global proficiency and mission readiness, advancing safety standards across civil and defence sectors.

We take a holistic approach to employee development, continuing to expand training and learning programs that strengthen competencies, industry innovation and market competitiveness.





SDG5 | Gender equality

Gender equality is not only a fundamental human right, but a necessary foundation for a peaceful, prosperous and sustainable world.

CAE's contribution

We are a signatory of the UN Women's Empowerment Principles and use third-party certifications and the disclosure of gender metrics, including the gender pay gap, to benchmark our progress.

Our inclusive culture is reflected in an environment where diverse perspectives fuel innovation and success, and where everyone can thrive based on merit, skills and contributions.

We maintain strong measures to prevent workplace discrimination, violence and harassment, to foster safe and inclusive working environments for all.

We follow equitable hiring and development practices, investing in future leaders from all backgrounds through mentorship, internships and multiple leadership pathways.

Our six Employee Resource Groups (ERGs), which invite everyone at CAE to participate, contribute to elevating awareness and building bridges within the organization.

We are involved in the Captain Judy Cameron Scholarship and created CAE Women in Flight to champion the next generation of women in aviation.



SDG8 | Decent work and economic growth

Sustained and inclusive economic growth can drive progress, create decent jobs for all and improve living standards.

CAE's contribution

As a global organization with approximately 11,500 employees across sites and training locations in over 40 countries, we are committed to fostering positive economic impact where we operate.

As a Partnership Accreditation in Indigenous Relations-committed company, CAE supports reconciliation and shared economic growth through partnerships, recruitment and training initiatives with Indigenous communities, in alignment with the UN Declaration on the Rights of Indigenous Peoples.

Our procurement programs and policies are designed to increase the visibility and selection of local suppliers to cultivate sustainable economic opportunities throughout our global supply chain.

Our values and One CAE culture attract and retain diverse talent by providing learning and development opportunities that strengthen long-term economic resilience, professional development and shared purpose.





SDG9 | Industry, innovation and infrastructure

Investing in resilient infrastructure and fostering innovation are essential drivers of economic development and long-term sustainable growth.

CAE's contribution

We actively engage in a global innovation and collaboration ecosystem, advancing aviation and training technologies through industry-leading breakthroughs.

Our Sustainable Building Protocol drives infrastructure modernization, ensuring high resource and energy efficiency in our global real estate portfolio.

We drive innovation by optimizing product lifecycle while exploring circular approaches that reduce waste and prioritize responsible resource use.

We provide high-fidelity, resilient digital training platforms that contribute to industry innovation and improve aviation safety by leveraging advanced simulation technology to transform training systems.

We annually review our R&D investment portfolio, integrating customer insights and sustainability criteria to target projects and initiatives that drive innovative, resource-efficient technologies and long-term value.



SDG13 | Climate action

Climate change is a global challenge that affects everyone, everywhere.

CAE's contribution

We set near-term science-based GHG reduction targets approved by the Science Based Targets initiative, addressed through a comprehensive decarbonization plan.

We have developed an internal carbon shadow price to embed climate considerations into business planning and investment decisions.

We continuously improve the energy and resource efficiency of our products and reduce GHG emissions across our value chain through climate-aligned initiatives.

We are bolstering climate resilience and operational continuity, with a strong focus on business continuity management, amid changing environmental conditions.

Our simulation-based training and digital solutions contribute to climate goals by limiting the need for fuel-burning aircraft.

We work with Advanced Air Mobility OEMs on projects that aim to accelerate the transition to more sustainable air transportation.



Stakeholder engagement

We engage with a diverse range of stakeholders to gain insights that help identify our most significant sustainability impacts and advance CAE’s mission to make the world safer. Built on transparency, authenticity, openness and integrity, these relationships ensure our strategy remains responsive to the needs of CAE stakeholders, which include employees, customers, investors, suppliers, communities, academic and research institutions, industry and trade organizations, governments, regulators and media.

Through ongoing dialogue across tailored internal and external channels, we build trust and integrate stakeholder perspectives directly into our decision-making.

The following subsections present a condensed summary of CAE’s engagement with stakeholders throughout FY26. The accompanying tables are representative of the broader interactions and engagement that occurred during this period.

Business community

- Customers
- Suppliers

Employees

Financial community

- Investors and analysts
- Shareholders

Civil society

- Communities
- Industry and trade organizations
- Media
- Academic and research institutions

Public partners

- Governments
- Regulators





Customers

Customers collaborate with us as innovation and sustainability partners.

Delivering exceptional value for CAE customers remains a core strategic priority, helping us advance safety, mission readiness and operational efficiency globally. We engage with customers through multiple channels to ensure our solutions and services remain responsive to their evolving needs, including one-on-one leadership meetings, customer advisory boards, user conferences, customer appreciation events and site visits. We also connect at trade shows and industry forums, and through satisfaction surveys and our 24-7 global support and services teams.

Engagement in FY26

Value and impact

Targeted briefings and dedicated communications

Earned continued customer trust

Customer experience and feedback
65,000+ data points

Informed strategy and identified actionable improvements across the customer journey

Customer Advisory Board
In-person and virtual sessions with Business Aviation customers and aircraft OEMs to shape strategy and improvements

Strengthened trust and strategic alignment on future technology

User conferences and technical forums
Flightscape digital solutions showcase and customer success infrastructure expansion

Fostered technical partnerships and improved delivery of data-driven insights to enhance operational performance



Suppliers

Suppliers act as business partners to deliver enhanced value to our customers and mutually contribute to our sustainability objectives.

We support suppliers through the CAE Resilient Together program, capacity-building activities — including internal forums, panels and workshops — a global network of sustainability ambassadors and external industry partnerships. CAE’s Supplier and Business Partner Code of Conduct, Purchasing Policy and third-party risk assessment and monitoring tool ensure alignment with our sustainability performance standards and expectations.

Engagement in FY26

Value and impact

CAE Resilient Together program
Circular economy and decarbonization workshops with second cohort of strategic suppliers, held in collaboration with Décarbône+

Facilitated investment opportunities and supported initiatives to optimize suppliers' resource use, waste and sustainability practices

Ecosystem collaboration
Sessions to exchange on best practices

Strengthened supply chain resilience and collaboration

Capability building
Targeted sustainability training and improvement plans based on individual supplier maturity levels and evolving industry standards

Elevated sustainability performance across the supply chain



Employees

Employees drive the success of our organization through their dedication, innovation and expertise.

We foster empowerment and belonging through direct communications, collaborative initiatives and dynamic feedback channels. CEO sessions and town halls conclude with an interactive Q&A, allowing employees to raise questions directly with leadership. Periodic pulse surveys further inform our actions on topics that matter most.

Our ERGs play an important role in our inclusive workplace culture, reinforcing CAE’s commitment to valuing diverse voices and contributions. Additionally, we uphold fair labour practices and maintain ongoing dialogue with employee representatives and unions to address any workplace concerns.

Engagement in FY26

CEO sessions, town halls and webinars

Direct dialogue on financial results, contract awards, business achievements and transformation plan progress against three focus areas – portfolio, capital discipline and performance

Global dialogue

100+ internal global events to promote awareness, learning and belonging

Newsletter and dedicated intranet hub

Weekly and special editions, featuring news on initiatives, business achievements and milestones at CAE locations worldwide – 65% readership rate and 85% intranet adoption rate

Value and impact

Strengthened strategic alignment, shared accountability and operational excellence

Reinforced our One CAE culture across regions, deepening employee engagement

Enhanced organizational trust and employee recognition across our global workforce

Delivered standardized and scalable employee capability building



Investors and analysts

Investors provide capital, insights and support instrumental to CAE’s long-term value, growth and innovation.

We engage with investors through one-on-one and group meetings, roadshows, sell-side conferences, webcasts and analyst and investor events, complemented by transparent financial and material disclosures. These channels provide comprehensive insight into CAE’s business, technology and products, our market opportunities, strategic initiatives and outlook.

Engagement in FY26

Financial results conference calls and direct stakeholder feedback sessions with CAE leadership

To address top-of-mind matters, with over 50% of sustainability-related engagement focused on governance in light of changes to CAE’s leadership and Board of Directors

Value and impact

Communicated solid execution on recovery in defence margins and instilled confidence in our positioning to capitalize on secular tailwinds

Announced CAE’s Transformation Plan, providing a roadmap to improving overall performance, capital returns and free cash flow conversion



Communities

Local communities help shape CAE’s reputation as a neighbour of choice everywhere we operate.

CAE interacts with and actively supports local, regional and Indigenous communities. We consider input from non-governmental organizations to ensure inclusion of diverse perspectives.

Engagement in FY26

Philanthropic and community support

Direct and in-kind contributions provided to 263 non-profit organizations

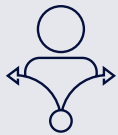
Educational and skills investment

Awarded 563 internships and 51 scholarships

Value and impact

Contributed to funding stability for local organizations and supported community-led initiatives

Broadened socioeconomic mobility and access to technical careers, supporting CAE’s focus on developing a future-ready workforce



Industry and trade organizations

We engage with industry peers, trade and industry associations to support collective advocacy and progress strategic sector priorities.

Through our participation in these groups, we address critical challenges in the aviation and defence sectors. CAE leadership serves on boards, committees and workgroups, contributing subject matter expertise as keynote speakers, moderators, panelists and advisors.

Engagement in FY26

Sustainability and innovation consortia

Tradeshows, airshows and foreign investment program

Including participation at CANSEC and hosting the Foreign Direct Investment program for 16 trade officers representing missions across Europe, Asia, the U.S. and Mexico

Association leadership

Sustained involvement in committees and working groups, with CAE serving on multiple boards, including Aéro Montréal, the International Aerospace Environmental Group and the Aerospace Industries Association of Canada

Value and impact

Advocated for initiatives that support the growth and competitiveness of our sectors

Expanded outreach to industry partners and enhanced opportunities

Elevated CAE’s profile as a thought leader and contributed to policy and standards-shaping platforms





Media

The media play a vital role in sharing accurate information, shaping public perception and influencing sentiment about CAE.

We engage with media globally to coordinate interviews, contribute to articles and provide subject-matter expertise to journalists. Our approach is supported by additional communication channels – including social media and site visits.

Engagement in FY26

Media relations and outreach

Engagements and events to support business milestones and strategic announcements, including the publication of close to 650 social media posts across channels

Commercial aviation milestones

Media coverage of high-profile events, including the Porter Airlines E2 pilot training launch and WestJet Alberta Training Centre of Excellence

International diplomatic event

Announcement of the MAB Academy selection at CAE Kuala Lumpur in the presence of the Prime Minister of Canada and high-level cabinet members

Press conferences

Media coverage of the Defence Industrial Strategy launch and signature of the worldwide cooperation agreement with Saab, both at CAE’s Montréal headquarters in the presence of the Prime Minister of Canada and high-level cabinet members

Value and impact

Strengthened CAE’s visibility, credibility and strategic positioning globally and locally, **reinforced trust**

Amplified market visibility

Highlighted Canadian innovation and strengthened international government-to-government relationships

Positioned CAE as a critical partner in national security



Academic and research institutions

Academic and research institutions contribute to industry innovation through collaboration, talent development and research advancements.

CAE engages with academic institutions through partnerships, curriculum integration, laboratory support, capstone projects, initiatives for underrepresented groups, and student sponsorship and mentorship to further collaboration and talent development. We also conduct collaborative research projects with academic institutions, specialized laboratories and research centres, working with leading experts worldwide to advance emerging technologies and knowledge creation.

Engagement in FY26

Innovation and R&D collaboration

Ongoing collaboration activities with over 50 academic partners and research centres worldwide

Institutional collaboration

Sustained partnerships across the educational ecosystem – including participation on boards and informing curriculum development that shapes the future of aviation training and ensures student readiness

Value and impact

Advanced knowledge creation and accelerated the development of pioneering technologies

Empowered the next generation of aviation professionals



Governments

Governments establish policies and standards that shape our operating environment, leading initiatives that drive innovation and socioeconomic growth and, together with industry, contribute to prosperity in the communities where we operate.

CAE participates in industry consultations and periodic meetings with government officials. We also join elective strategic engagements such as trade missions and industry collaborations. Advocacy efforts at the national and local levels include CAE's political action committee in the U.S., with all activities in compliance with applicable lobbying regulations.

Engagement in FY26

Value and impact

High-level briefing and policy launch

Hosting of Prime Minister for the unveiling of Canada's first Defence Industrial Strategy (DIS)

Provided clarity on CAE's role as a sovereign

technical partner; positioned organization to lead in the Build. Partner. Buy. framework for national security

Domestic industrial base mobilization

Collaboration with federal partners under DIS to integrate over 400 Canadian small and medium-sized enterprises into the national defence supply chain

Bolstered national resilience by promoting the

domestic industrial base; propelled Canadian innovation to deliver world-class sovereign capabilities and long-term mission readiness

International diplomatic and trade outreach

Solidified intergovernmental relationships and trade

network growth; demonstrated CAE's role in global security resilience and sustainable international trade partnerships

Regional innovation and policy advocacy

Informed policy discussions and strengthened

CAE's role as a sovereign technical partner



Regulators

Regulators establish the standards and compliance guidelines essential to CAE's operations and market presence.

Operationally, we engage with aviation authorities during initial approvals and regular compliance audits, and during the qualification of flight simulation training devices. In an advisory capacity, we exchange as co-members and co-chairs of aviation safety committees and workgroups, also cooperating on common projects. CAE also contributes thought leadership to the aviation safety and training ecosystem, providing insights to guide future industry standards.

Engagement in FY26

Value and impact

Regulatory and intergovernmental bodies

High-level participation in ICAO, EASA and FFA global and regional panels and rulemaking committees to drive global harmonization

Contributed to shaping future aviation requirements

and industry standards for enhanced safety and workforce readiness

Global safety advisory bodies

Strategic leadership and technical committee participation within the Flight Safety Foundation and the Air Charter Safety Foundation

Advanced safety leadership principles and promoted

proactive risk management

CAE-U.S. PAC

Established in FY22, the CAE political action committee (CAE-U.S. PAC) is governed by a board comprised of U.S. nationals that reflects the company's structure and diversity. The PAC Board meets quarterly or more often, if necessary. It exists only to advance the company's business interests in the U.S. All of the Board's underlying actions strictly comply with applicable laws and regulations; they are in accordance with the company's values of safety, security and sustainability. All CAE-U.S. PAC contributions are fully disclosed in reports filed with the Federal Election Commission (FEC) and are accessible via the [FEC website](#).

Industry alliances, association memberships and partnerships

Through industry alliances, association memberships and partnerships worldwide, CAE promotes objectives critical to our organization and industry. Depending on the engagement, our role may be advisor, collaborator, change agent or thought leader.

For the full directory of CAE's industry memberships and affiliations, please refer to [GRI 2-28 Membership associations](#).

Thought leadership

CAE demonstrates sustainability leadership by actively sharing our expertise and engaging with stakeholders to drive positive change. Below are examples of our contributions over FY26.

Sustainability strategy and governance

Sustainability Journey of a Global Leader in Aerospace and Defense

IAEG Plenary Session, Apr 3

Hélène V. Gagnon, keynote speaker

Leadership in Sustainability: Strategies From Aviation Sector Leaders

The SustainabilityX Magazine, May 21

Hélène V. Gagnon, writer

A Pan-Canadian View of Sustainability

Elite Wings Aviation Summit, Jun 3

Constance Drilhon, panelist

Regulation and Governance in Canada: A Post-Election Briefing

NASDAQ RegTalks, Jun 16

Constance Drilhon, panelist

Sustainability Journey of a Global Leader in Aerospace and Defense

Sustainability LIVE: Climate Week NYC, Sep 22

Hélène V. Gagnon, speaker

The Reporting Resilience Playbook for Corporate Sustainability Leaders in 2026

NASDAQ Sustainability Solutions and ESG Today, Mar 26

Constance Drilhon, panelist

Responsible supply chain

Engaging Your Value Chain in Your Sustainability Journey

BusinessWorld, Sep 22

Hélène V. Gagnon, speaker

Workforce and aviation safety

Advancing Safety and Efficiency

Elite Wings Aviation Summit, Jun 2

Nick Giannias, panelist

Enhance Safety Intelligence With Training Data

Bombardier Safety Standdown, Nov 12

Clément Cateau, presenter

Data-Driven Training for Safer Outcomes

Bombardier Safety Standdown, Nov 12 and 13

Robert Bergen, presenter

Future-Proofing Aviation's Workforce: Scaling Talent Without Compromising Safety

Flight Safety Foundation Webinar, Feb 19

Richard Morris, panelist

World Day for Safety and Health at Work

Annual UN-recognized event, April 28

Hélène V. Gagnon, panelist

Innovation and emerging technologies

From Turbulence to Trust: Turning Disruption Into Customer Wins

ALL IN 2025, Sep 24

Emmanuel Levitte and Diane Valerio, speakers

The Future of Flight Operations: Leveraging Digital Tools for Optimised Performance

World Aviation Festival, Oct 8

Pascal Grenier, panelist

Simulation Training and Research (STaR) Lab Solution-Design Workshop

Ingenium, Nov 5

John Brennan, facilitator/student mentor

Multi-Agent Board Game Strategy Through Simulation (Winner: Best Overall Paper)

I/ITSEC, Dec 2

Brian Stensrud, presenter/co-author

Cognitive Load-Based Curriculum Adaptation in Human-Machine Team Training

I/ITSEC, Dec 2

Gary Eves, presenter/co-author; Brian Stensrud, co-author

Human/Machine Teaming (Next Big Thing TalX)

I/ITSEC, Dec 2

Brian Stensrud, speaker

Effects of Human-Machine Interface Recommendation Accuracy on Trust

I/ITSEC Dec 3

Hely Lin, presenter/co-author and Sandro Scielzo co-author

Digital trust and security

Simulation and the Cyber-Secure Hybrid Cloud

I/ITSEC, Dec 1

Tansel Kendir, Glenn Diehl and Katie VanErven, presenters/co-authors

Aligning Flight Simulation Software With MOSA Standards

I/ITSEC, Dec 3

Hung Tran, presenter/co-author

Partnerships and collaboration

Serving Canada Better Together

CANSEC Spotlight Presentation Stage 2025, May 28

France Hébert, speaker

Building an Interoperable Helicopter Training Ecosystem: Integrating Polish Industrial Potential

MSPO 2025, Sep 3

Damien Moscetti, panelist

Innovation and Defense Workshop

Journée des Chantiers, Dec 10

Houssam Alaouie, facilitator

Talent attraction and workforce resiliency

Technology as the Fixer for Aviation Industry Workforce Gaps

Aviation Week Podcast, Apr 25

Rachel Olson, Ewa Olko and Parul Singh Baghel, speakers

Impact, Joy and Sustainability

One Million Years of Joy podcast by the Leadership Luminaries, July 8

Hélène V. Gagnon, speaker

Women's Ambition Transforming Organizations

L'Effet A 10th Anniversary Celebration, June 11

Hélène V. Gagnon, panelist

Transforming Air Traffic Training in the Era of Innovation

Airspace World, May 15

Stella-Marissa Hughes, panelist

2025 Aviation Talent Forecast

International Paris Air Show, Jun 17

Marie-Christine Cloutier, speaker

Preparing Air Traffic Services (ATS) Personnel for Future Challenges

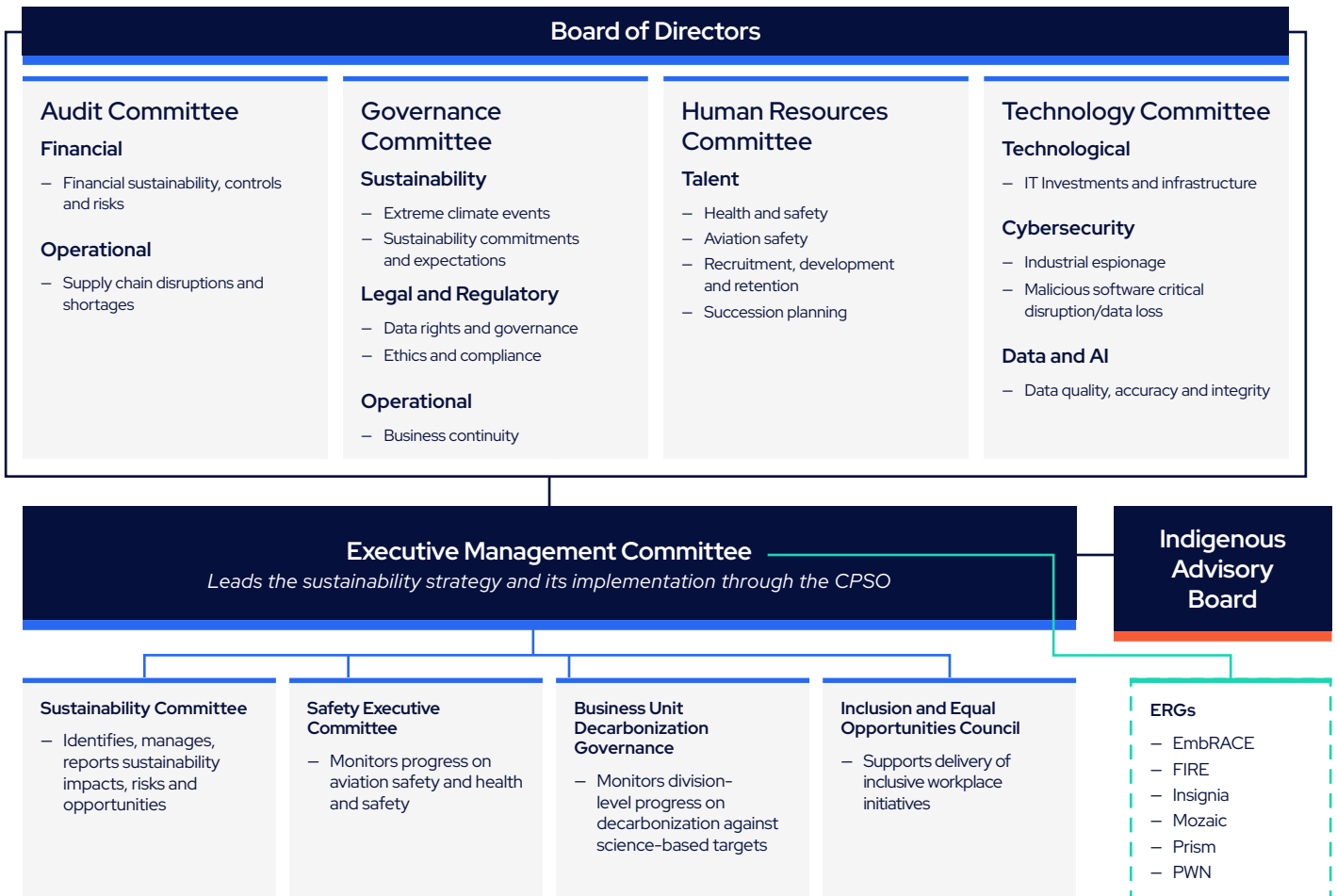
Dubai Airshow, Nov 18

Marie-Christine Cloutier and Simal Miglani, speakers

Sustainability governance

CAE's corporate governance builds on the principle that ethical practices drive sustainable value. Our sustainability goals, which emphasize social responsibility, align with our company's vision, values and mission. This commitment begins at the top, with the accountability of our Board of Directors and Executive Management Committee (EMC).

Introduced in FY26, our [Sustainability Policy](#) provides a guiding framework for integrating sustainability into decision-making processes and practices across our global operations and supply chain. Our approach is informed by the perspectives of all our stakeholders – including customers, employees, communities, partners, shareholders, and suppliers – and is guided by the intent to create long-term value and resilience and deliver measurable operational efficiency through sustainability.



Board of Directors

CAE's Board of Directors reviews, provides strategic guidance, endorses major sustainability-related initiatives and approves the Global Annual Activity and Sustainability Report. The Board also provides oversight for CAE's transformation, ensuring alignment between sustainability considerations, strategic priorities, execution and long-term resilience. ▶

The Board’s **Governance Committee** receives updates three times a year on trends, market signals, pulses from all stakeholders and progress on CAE’s sustainability strategy. These updates, which include progress on extra-financial disclosure, are presented by the Chief People and Sustainability Officer (CPSO). The Governance Committee regularly evaluates continuous enhancement of the company’s ethical practices and policies that govern our business actions, while also overseeing CAE’s climate change adaptation and mitigation strategy – which covers our decarbonization efforts.

The **Audit Committee** oversees our Enterprise Risk Management Policy framework, including sustainability risks and sustainability reporting, and receives an annual briefing on extra-financial regulated disclosure.

The **Human Resources Committee** oversees health and safety and aviation safety policies and procedures through a quarterly review to ensure effectiveness of the programs in place. It manages topics related to CAE’s inclusive culture and evaluates management’s response to related material issues.

New Committee strengthens Board oversight

As a technology-intensive business, CAE recognizes the necessity for a central body to oversee, assess and advise the Board on management’s approach to technology and digital security. Among its responsibilities, the Technology Committee keeps the Board informed on issues that may affect cybersecurity disclosures.

The new Board Committee oversees technology-related policies, standards and practices, consolidating responsibilities previously shared by the Governance and Audit Committees. The two continue to act in important consultative roles, with Governance Committee oversight required on technology matters related to compliance and Audit Committee oversight required on internal controls and financial reporting.

Its mandate includes conducting an annual review of our overall technology and data strategy to ensure alignment with the company’s global strategic plan and priorities; monitoring emerging trends in technology, including AI; and evaluating their potential impact on CAE’s objectives. The Committee also oversees CAE’s Cybersecurity Program, capabilities and resilience practices, performing quarterly reviews of IT and cybersecurity risks.

Consult the [FY26 Management Proxy Circular](#) for comprehensive Board governance and mandates. ■

Indigenous Advisory Board

The Indigenous Advisory Board (IAB) is an independent advisory body established by CAE to provide guidance on CAE’s reconciliation efforts and engagement with Indigenous communities, ensuring these efforts are informed by Indigenous perspectives and lived experiences.

Comprised of Indigenous community leaders, the IAB enhances cultural intelligence and advises leadership on integrating Indigenous perspectives to promote economic partnerships and foster an inclusive workforce. See [CAE’s commitment to Reconciliation](#).

Executive Management Committee

The Executive Management Committee (EMC) leads CAE in alignment with our strategic vision and direction, overseeing all business divisions and functions. Members share the responsibility of advancing our multi-year sustainability roadmap against defined objectives and targets. This mandate involves continuous review of sustainability governance and monitoring emerging trends to seize opportunities to enhance outcomes across the organization. The EMC receives quarterly updates on trends, market signals, pulses from all stakeholders and progress on CAE’s sustainability strategy.

Our President and Chief Executive Officer (CEO) and EMC members have individual sustainability objectives against which their performance is measured and which factor in their annual remuneration. This practice directly aligns the interests of CAE executives with the long-term sustainability and success of our organization.

Refer to the [FY26 Management Proxy Circular](#) for detailed information, including annual achievements and compensation coverage.

Chief People and Sustainability Officer

The CPSO leads CAE’s sustainability strategy and its cross-functional operational implementation. As an EMC member, this role convenes subject matter experts across the company to advance sustainability roadmap targets and ensure transparent, data-driven reporting.

EMC standing committees

Sustainability Committee – directs the identification, management and reporting of the company’s most significant sustainability impacts, risks and opportunities. Chaired by the CPSO, this Committee meets quarterly. It scans industry trends and market shifts to ensure sustainability remains integrated across all functions. Dedicated working groups address specific risks.

Safety Executive Committee – provides oversight on global health and safety and aviation safety, reviewing performance and risks, and audit recommendations. It ensures regulatory compliance and visibility of CAE’s safety culture through regular updates to the CEO and leadership teams, as detailed in the [Global safety](#) section.

Business unit decarbonization governance – ensures accountability of each business unit leadership team in managing their respective decarbonization strategies through regular review of progress and performance. Civil Aviation and Defense & Security business units work closely with Global Procurement and Supply Management, Real Estate, and Environment and Climate Change to identify and deploy decarbonization opportunities and to ensure alignment with CAE’s sustainability roadmap and progress towards FY33 emission reduction targets. Further detailed in [Climate change mitigation](#).

Inclusion and Equal Opportunities Council – supports the implementation of inclusion and equal opportunities initiatives at CAE.



Environment



— ESRS E1

Climate change adaptation

Why it matters

Climate change adaptation is the process of adjusting a company’s operations or business model to the current and projected effects of climate change to minimize negative impacts and capture potential transition opportunities. As there is no “one-size-fits-all” applicable approach, CAE needs to proactively assess the impacts, risks and vulnerabilities that climate change poses for our customers, employees and assets through our operations and supply chain activities.

With the increasing frequency and intensity of weather events, stakeholders – including governments, investors and companies are acutely aware of the importance of integrating climate-resilient measures along with greenhouse gas (GHG) emissions reduction targets into their business strategies and decision-making.

CAE employs approximately 11,500 employees worldwide across sites and training locations in over 40 countries – all with various levels of exposure to climate risks. These risks can affect the environment, health and safety, socioeconomic conditions and physical infrastructure security.

As one of our fundamental responsibilities, we continue to identify and manage material climate-related risks and opportunities. By implementing adaptation measures, serving as one of our industry’s sustainability catalysts and acting as a partner to our suppliers, we mitigate risks and create business value for CAE stakeholders.

Governance

With the approval of the Global Annual Activity and Sustainability report, the Board of Directors reviews CAE’s sustainability strategy, which incorporates climate change adaptation. The Audit Committee of the Board receives updates on climate change as one of the top 20 risks regularly monitored and addressed in the quarterly report from Enterprise Risk Management.

The Board’s Governance Committee also receives reports from the Chief People and Sustainability Officer (CPSO) for guidance and orientation three times a year. As risk owner, the CPSO is accountable for formulating recommendations and providing appropriate resources to support the business units in identifying, developing and monitoring local climate change risk management strategies.

CAE’s Global Operational Risk & Business Continuity Management (GORBCM) leads a centralized, enterprise-focused strategic response, with climate change events among its crisis management, business continuity and disaster recovery responsibilities. In this role, the GORBCM provides comprehensive and timely situation reports to the Executive Management Committee (EMC) and supports the Committee in implementing strategic decisions.

EMC members, leaders who supervise various teams and core functions, oversee the allocation of the appropriate resources to mitigate the risks identified.

CAE’s Global Security Policy defines the mandate of Global Security, led by the Chief Security Officer, to identify and evaluate security risks across CAE sites, including those heightened by climate-related events. Global Security maintains Emergency Response Plans for major incidents and operates the Global Security Operation Centre, which provides real-time threat monitoring and rapid support during disruptive events. These responsibilities strengthen climate adaptation governance by ensuring that climate-related security risks are systematically managed and that preparedness supports operational continuity.

CAE’s Climate Change Committee further supports the governance of climate change adaptation by tracking and documenting climate events in our global network, overseeing climate-related risk assessments and ensuring that adaptation measures are integrated into our operational planning and preparedness activities.

Management approach

CAE takes a proactive and structured approach to climate change adaptation, strengthening our business resilience in the face of evolving climate risks.

In line with our climate governance principles, CAE’s indirect engagement on policy, law or regulation is consistent with the Paris Agreement goals to limit global temperature rise to 1.5°C. CAE supports public policies aimed at limiting global warming, and ensures that our risk management practices, strategy and disclosures reflect this position. CAE’s participation in trade associations across the world contributes to collective efforts that shape environmental regulations and standards in the aviation, defence and technology sectors.

We undertake regular assessments and analyses to maintain diligence on climate change adaptation. Initial deep-dive analyses at facilities representative of CAE’s activities helped identify physical and transition risks under varying warming scenarios, forming the basis for broader global evaluation. We also conducted a pilot project using climate risk indicators across six sites in CAE’s global network representative of CAE’s diverse activities and geographical network to estimate the financial impacts of key climate-related risks.

Building on these steps, a subsequent global physical climate risk assessment expanded insight into CAE’s climate vulnerabilities and is informing the ongoing evaluation of adaptation strategies, including identifying sites under CAE’s operational control that may require more focused action. ►

Climate-related site-vulnerability reviews are incorporated into the standard Emergency Response Plan template used across our network, strengthening preparedness and response capabilities for severe weather events. In addition, a centralized reporting tool for climate-related events supports consistent tracking, analysis and escalation across the organization.

Climate-related risks are being steadily integrated into CAE’s capital allocation processes. As the process is being deployed, each proposed investment will be evaluated for potential exposure to climate hazards – such as flooding, extreme heat, drought or hurricanes – as well as the vulnerability of the assets to be deployed. Based on the level and nature of the identified risks, the Environment and Climate Change team formulates tailored recommendations to be incorporated into CAE’s investment book, guaranteeing that climate considerations inform decision-making from the outset and strengthen long-term asset resilience. ■



Policies

- › [Global Security Policy](#) (*internal*)
 - › [Global Environment, Health and Safety Policy](#)
- › [Sustainability Policy](#)
 - › [Business Continuity and Crisis Management Policy](#) (*internal*)

Our performance

Assessment of CAE’s exposure to physical climate risks

Using dual time horizons (2030 and 2050) and two scenarios (SSP 2–4.5 “Middle of the Road” and SSP 5–8.5 “Business as usual”), CAE’s physical climate risk assessment applied a three-dimensional framework examining exposure, vulnerability and consequence to assess risks across CAE’s operational, resilience and financial dimensions.

As part of this work, the 25 most strategic and representative sites across CAE’s global network were analyzed, providing a representative view of how physical climate hazards may impact operations. The assessment found that most facilities across CAE’s global portfolio are exposed to climate-related hazards, such as extreme heat, flooding and storm events. However, only six sites were found to exhibit comparatively higher levels of risk, and the overall risk profile remains relatively moderate. This is due to the limited likelihood of multiple severe hazards occurring simultaneously and the presence of existing control measures that help reduce vulnerability.

The results indicate that CAE is well-positioned to manage projected climate physical impacts while highlighting the need for continued proactive planning to address long-term uncertainty and emerging risks.

Progress toward reporting aligned with the CSRD, IFRS S1 and S2

As we advance toward reporting aligned with the Corporate Sustainability Reporting Directive (CSRD) and International Financial Reporting Standards (IFRS) S1 and S2, CAE maintains disclosures aligned with the Task Force on Climate-related Financial Disclosures (TCFD) and has refined our climate-related risks and opportunities using a double materiality approach, consolidating these into subsets to better reflect their materiality. ▶



Climate-related risk and opportunities analysis

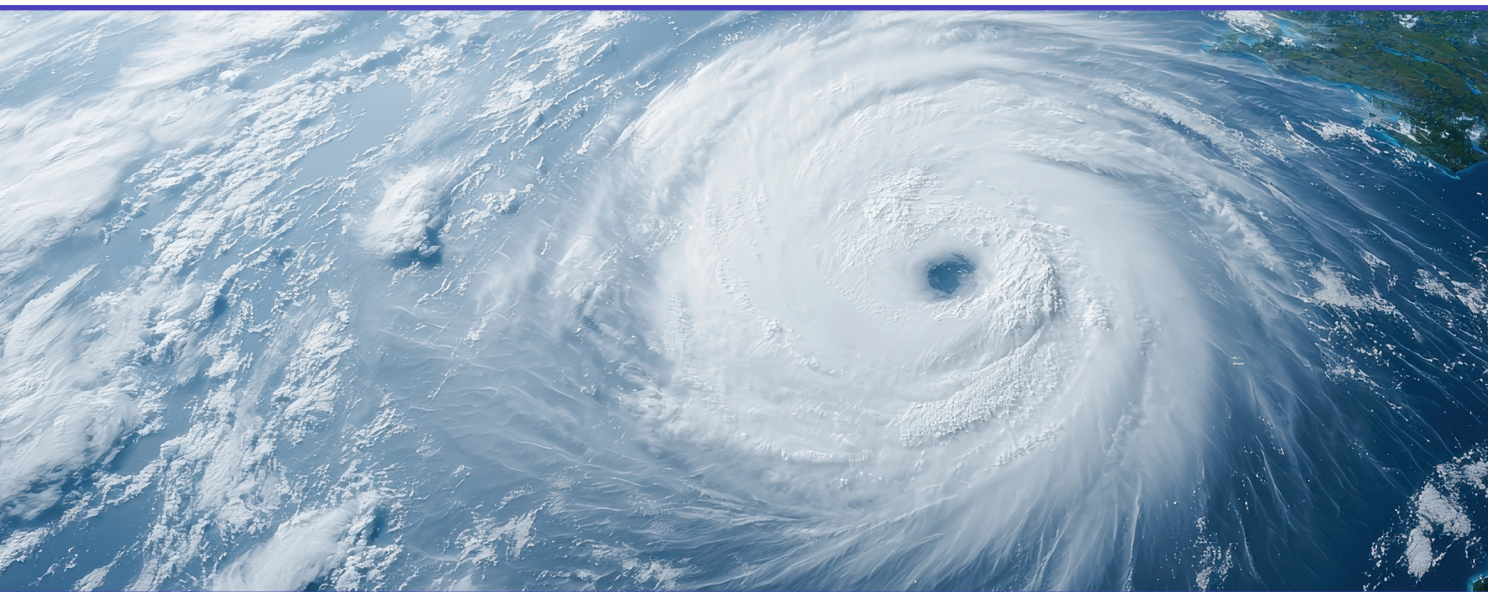
Climate-related risks and opportunities were identified and assessed through CAE’s enterprise-wide risk governance processes and informed by the outcomes of the company’s first Double Materiality Assessment (DMA), completed in FY26 in accordance with the European Sustainability Reporting Standards (ESRS) 1 “General requirements” methodology.

This assessment considered both the potential financial effects of climate-related risks and opportunities on CAE, as well as CAE’s impacts on climate change across our operations and value chain, and enabled the identification and prioritisation of climate-related matters deemed material under ESRS E1 Climate Change.

Climate-related risks and opportunities – both material and non-material as identified through the DMA – are overseen through CAE’s Enterprise Risk Management framework and integrated into strategic decision-making, including capital allocation, real estate management and M&A activities, to support long-term business resilience. Performance relating to material climate-related risks and opportunities is managed and monitored through the climate mitigation and adaptation pillars of CAE’s sustainability roadmap, supporting both emissions reductions and preparedness for physical and transition risks. ■

| Subtopic | Statement | Time horizon | Material as per our DMA financial threshold | Potential consequences | Potential financial effects |
|---------------------------|---|-----------------------------|---|---|---|
| Risk | | | | | |
| Climate change adaptation | More frequent and severe climate physical events affect customers, employees and assets | Short, medium and long-term | No | <ul style="list-style-type: none"> – Business operational disruption – Delivery delays – Reduced flight safety – Endangered network – Temporary lack of human resources – Reduced IT access – Data loss – Increased insurance constraints – Rising local taxes – Lower level of public services | <ul style="list-style-type: none"> – Increased operating expenses – Increased capital expenses – Loss of current and backlog revenues – Loss of market share – Asset impairment or write-downs |
| | Supply chain disruption from climate change limiting access to critical materials and components | Short, medium and long-term | Yes | <ul style="list-style-type: none"> – Delivery delays – Insufficient availability of material resources | <ul style="list-style-type: none"> – Increased procurement costs – Loss of current and backlog revenues |
| Climate change mitigation | Reduced air travel demand driven by climate-related regulatory constraints, societal pressures and shifting passenger behaviour | Medium and long-term | No | <ul style="list-style-type: none"> – Reduced customer demand – Lower utilization | <ul style="list-style-type: none"> – Loss of current and backlog revenues – Loss of market share – Reduced return on capital deployed |
| | Failure to meet decarbonization targets and customer climate requirements | Medium and long-term | No | <ul style="list-style-type: none"> – Loss of competitive advantage – Damaged reputation – Reduced customer demand – Lower utilization – Need for more reactive operational adjustments | <ul style="list-style-type: none"> – Increased operating expenses – Increased capital expenses – Loss of current and backlog revenues – Loss of market share |
| Energy | Increased energy costs driven by fossil fuel price volatility, carbon pricing and regulatory changes | Medium and long-term | No | <ul style="list-style-type: none"> – Higher energy resource prices – Higher carbon-related taxation | <ul style="list-style-type: none"> – Increased operating expenses – Increased tax payments |

| Subtopic | Statement | Time horizon | Material as per our DMA financial threshold | Potential consequences | Potential financial effects |
|---------------------------|--|-----------------------------|---|---|---|
| Opportunity | | | | | |
| Climate change adaptation | Expansion of CAE's addressable market driven by the growth of low-carbon transportation and Advanced Air Mobility | Medium and long-term | No | – Access to new markets | – Increased revenue – Gain in market share |
| Climate change mitigation | Increased demand for simulation-based training driven by regulatory changes and evolving customer requirements to reduce fuel use and contrail emissions | Medium and long-term | Yes | – Increased product demand – Higher utilization – Adaptation of customer training programs | – Increased revenue – Gain in market share |
| Energy | Business continuity stabilized by a diversified energy mix amid constraints on fossil fuel supply | Short, medium and long-term | No | – Enhanced energy resilience – Reduced exposure to energy supply disruptions and prices volatility | – Cost savings |



Climate change adaptation roadmap

Associated SDGs



| Key result | Target year | Status |
|---|-------------|------------------|
| > Quantification of most important climate-related risks | FY26 | Postponed (FY28) |
| > Deployment of climate change resilience guidelines across CAE's network | FY28 | On track |

— ESRS E1

Climate change mitigation

Why it matters

Climate change has global impacts affecting us now and future generations. Addressing this challenge requires effective mitigation measures, which are inseparable from decarbonization. By significantly reducing or eliminating carbon dioxide (CO₂) and other GHG emissions, decarbonization directly targets the primary drivers of climate change.

Decarbonization requires concerted action across our industry and value chain. CAE’s decarbonization plan therefore includes collaboration with various stakeholders. CAE’s transformation will advance decarbonization by sharpening our portfolio for greater efficiency — building on core strengths and focusing efforts where they matter most. Recognizing that our footprint contributes to our customers’ value chain emissions, we collaborate on initiatives that unlock sustainable opportunities, holding ourselves accountable by measuring outcomes against our commitments.

Governance

CAE’s decarbonization strategy is supported by a governance framework that extends beyond the oversight of the Board of Directors and the supervisory role of the Chief People and Sustainability Officer. See [Sustainability governance](#).

As the primary mechanism for effective monitoring and reporting of GHG emissions reduction actions and initiatives, Business Unit (BU) Decarbonization Governance operates as a standing committee of the Executive Management Committee (EMC). It involves quarterly reviews with the management team of Civil Aviation and Defense & Security (D&S). Progress is also reported to the Sustainability Committee — also an EMC standing committee — which serves as a focal point for key functions to enable progress against decarbonization objectives.

CAE’s President and Chief Executive Officer and the Executive Management Committee are evaluated against enterprise strategic pillars and priorities, which include progress on science-based decarbonization. In addition, relevant EMC members have GHG-related performance objectives tailored to their respective mandates, with progress factored into the individual component of their annual performance evaluation and compensation.

Management approach

Carbon inventory

First disclosed in 2017, the process of measuring, quantifying and reporting on GHG emissions through a carbon inventory provides the necessary data for CAE to pinpoint areas of improvement and serves as a baseline for implementing direct emissions reduction actions.





CAE’s GHG emissions disclosure and management strategy follows a comprehensive process aligned with the GHG Protocol, covering the following scopes and categories. ▶







GHG emissions: Gross Scope 1, 2 and 3

Scope 1 > GHG emissions from sources that are owned or directly controlled by CAE

-  – Aviation fuel
-  – Fuel for company vehicles
-  – On-site consumption of natural gas, diesel, fuel oil, heating oil and propane
-  – Refrigerant

Scope 2 > GHG emissions resulting from the generation or purchase of electricity, steam, heat or cooling

-  – Electricity, steam, heat and cooling for buildings and simulators, where electricity represents the main source of energy
-  – In accordance with the GHG Protocol, Scope 2 emissions are reported using both the location-based and market-based approaches¹

Scope 3 > GHG emissions from sources not owned or directly controlled by CAE, but related to CAE activities.

Scope 3 categories currently considered material for CAE include:

-  – **Categories 1 and 2:** Purchased goods and services/Capital goods
-  – **Category 3:** Fuel- and energy-related activities (not included in Scope 1 or 2)
-  – **Category 6:** Business travel
-  – **Category 7:** Employee commuting
-  – **Category 11:** Use of sold products
-  – **Category 15:** Investments – disclosed for the first time in FY26

CAE achieved carbon neutrality in FY20 and remained carbon neutral until FY24. CAE transitioned in 2024 to a direct carbon emission reduction across our operations and value chain articulated around targets approved by the Science Based Targets initiative (SBTi).

Our decarbonization strategy is anchored in near-term (10 years), science-based emissions reduction targets: CAE is committed to reduce Scope 1 and 2 (market-based) emissions by 85.7% against a FY2019 baseline and Scope 3 emissions by 32.5% against a FY2022 baseline by the end of FY2033. The Scope 3 target is applicable to the following categories: purchased goods and services, capital goods and fuel- and energy-related activities (not included in Scope 1 or 2). ▶

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 selected. 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. [\(Source\)](#)

Decarbonization

Shared targets ownership and execution accountability

BU's are accountable for identifying and executing local decarbonization initiatives, with support from Environment and Climate Change, Global Procurement and Supply Management (GPSM) and Real Estate teams to ensure feasibility, consistency, scalability and effective delivery. Product leaders are also accountable for product design choices that shape the sustainability profile of CAE's solutions, including the approval of related business cases. This integrated approach reinforces execution discipline and efficiency by prioritizing decarbonization initiatives that are technically sound, cost-effective and scalable across operations.

Our Chief Technology Officer ensures climate mitigation is embedded at the point of product inception, championing "carbon built-in" technologies that reduce the environmental footprint of our solutions.

Our Senior Vice President, Operations ensures that these technologies and solutions are manufactured and delivered through responsible operational practices. In addition, under this supervision, Real Estate implements facility energy optimization and operational efficiency measures to reduce Scope 1 and 2 emissions, and GPSM strengthens the climate resilience of our supply chain. GPSM's Procurement Sustainability team also collaborates with Engineering to integrate carbon-cost modelling into sustainable product design.

The Environment and Climate Change team analyzes data from these sources to identify further emission reduction opportunities. This integrated approach ensures that operational excellence and climate action are mutually reinforced across the entire value chain.

Internal carbon shadow price

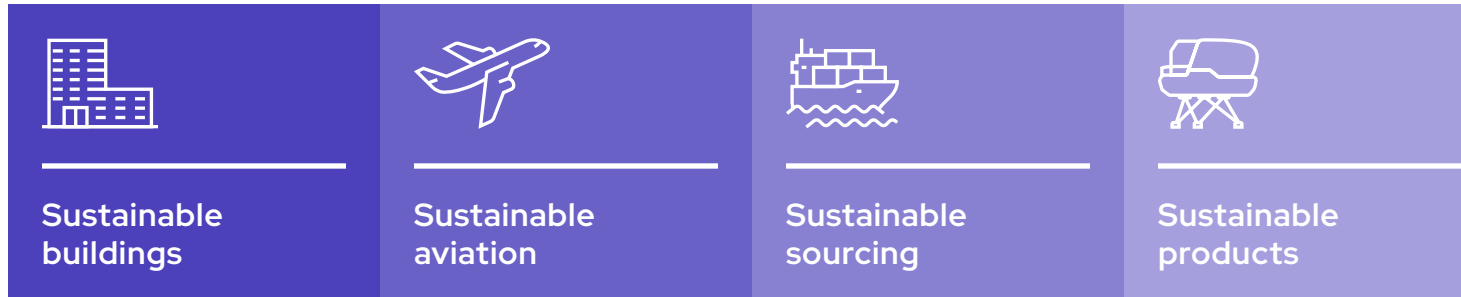
CAE's internal carbon shadow price (ICSP) embeds climate-related considerations into capital allocation and M&A decision-making, ensuring carbon considerations are systematically assessed alongside financial and strategic criteria. Aligned with CAE's transformation priorities, the ICSP reinforces execution discipline and risk mitigation by providing visibility on the carbon implications of growth and investment decisions at the opportunity level. The ICSP is applied through CAE's established capital allocation governance processes, with BU's responsible for assessing carbon emissions and identifying reduction opportunities at the project level, supported by the Environment and Climate Change team in coordination with Finance to ensure consistent application.

By promoting lower-carbon alternatives and operational efficiency, the ICSP supports CAE's transition toward less carbon-intensive growth and provides a disciplined decision framework to manage progress against Scope 1 and 2 emissions reduction objectives as the portfolio evolves. ▶



Four main decarbonization streams

Our climate strategy is now guided by near-term GHG emission reduction targets officially approved by the SBTi in September 2024.



These four streams guide the tactical decarbonization plans of our Civil and D&S BUs, as well as our Global Operations group, to secure progress against CAE’s FY33 emission reduction targets. With the support of the Environment and Climate Change, Real Estate and GPSM, specific actions are mapped to each stream and regularly monitored for execution. This framework ensures clear ownership and accountability for capital allocation decisions and the progress required to reach our goals.

Sustainable buildings

We aim to capture energy efficiencies and cost savings within our real estate portfolio by focusing on renewable energy sourcing, resource efficiency, energy conservation and the use of sustainable materials.

Further detailed in [Energy](#).

Sustainable aviation

Technologies and partnerships initiated through CAE’s technology and innovation agenda continue to shape the future of aviation training and mission-readiness.

Further detailed in [R&D and innovation](#).

Sustainable sourcing

The ability to deliver on our decarbonization strategy depends on the performance of our value chain. To ensure long-term success, through our CAE Resilient Together program and our local sourcing approach, we embed sustainability criteria into our sourcing processes to better reflect the total cost of doing business with current and potential suppliers.

See additional coverage of sustainable sourcing in [Responsible supply chain management](#).

Sustainable products and services

CAE’s simulation-based training and digital solutions are designed to reduce our customers’ operational carbon impact. We continually explore new avenues to further integrate sustainability into our portfolio, harnessing advanced technologies that enable customers to reduce their carbon footprint, enhance energy efficiency and achieve their decarbonization goals.

Building on simulation-based training, CAE integrates sustainable design and circularity principles to reduce lifecycle emissions while improving the efficiency and durability of our product portfolio. By extending simulator lifespans, promoting refurbishment and reuse, and shifting training from live assets to high-fidelity digital environments, CAE reduces fuel consumption, material intensity and associated GHG emissions for customers and across our own operations. These initiatives strengthen execution discipline, asset efficiency and long-term resilience, in line with CAE’s transformation priorities.

Further detailed in [Responsible resource use](#). ▶

Immersive simulation and training curriculums

As the core of CAE's global manufacturing and flight-training activities, simulators are a key element of our decarbonization strategy. Our approach is to optimize the use of full-flight simulators — in compliance with regulatory requirements — to support high-quality, effective pilot training, while contributing to our sustainability goals and those of our customers. Each year, pilot training conducted in our Civil BU on CAE full-flight simulators is estimated to be equivalent to over 10 million tonnes of CO₂e that would have been emitted if the same training had been performed using live aircraft.

Under our aviation training program, pilots learn techniques to reduce fuel consumption by considering weather conditions, step-down altitude and flight phase (taxiing, landing). In addition to fuel efficiency, we are developing specialized pilot training to help them mitigate the climate-related impact of condensation trails through weather forecasts and flight route adjustments.

CAE Rise: adaptive training and data-driven readiness

As the industry moves toward competency-based training and adaptive learning, CAE Rise serves as the foundation of the training management ecosystem, delivering data-driven insights to enhance the readiness and performance of pilots across the aviation industry.

By converting unbiased, real-time feedback into actionable intelligence, our data-driven training system provides the precise input needed to strengthen pilot preparedness and response capabilities in high-risk situations.

Beyond improving training outcomes, CAE Rise supports our customers' decarbonization by shifting carbon-emitting training activities to high-fidelity synthetic environments. As a digital enabler of our "carbon built-in" strategy, this capability reinforces the integration of sustainability with CAE's commitment to operational excellence and mission readiness.

Flightscape: Unified data and airline operations optimization

By replacing disparate data systems with a unified digital ecosystem, Flightscape is shaping the evolution of flight operations management. CAE's data-driven solution leverages artificial intelligence and machine learning to provide aviation operators the insights needed to optimize flight plans and catering services, improving profitability by reducing fuel consumption and waste.

This data-driven approach directly translates operational excellence into measurable decarbonization progress for our customers. ■



Our performance

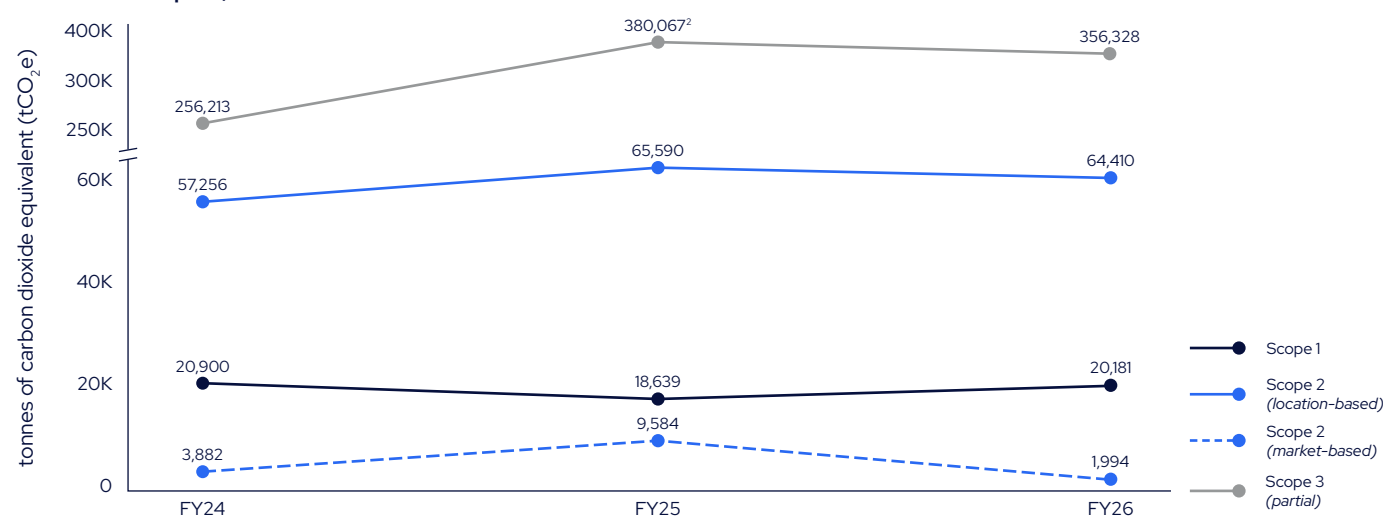
Total GHG emissions

CAE's total GHG emissions decreased by approximately 7% year over year to 378,503 tCO₂e (market-based)¹ in FY26, compared to 408,290 tCO₂e (market-based)² in FY25. This includes Scope 3 - Category 15 (Investments), reported for the first time this year in line with the GHG Protocol's definition for emissions not already included in Scopes 1 or 2, adding an additional 4,535 tCO₂e to our global carbon inventory compared to the previous year.

We continued to reinforce the robustness of data collection processes and obtained third-party limited assurance of our Scopes 1 and 2 emissions for the first time in FY26.

The following chart illustrates the evolution of our carbon footprint across each reported scope and category since FY24. ▶

Trend of Scope 1, 2 and 3 emissions



GHG emissions by scope and category

| Source | FY26 (tCO ₂ e) | FY25 (tCO ₂ e) | Year-over-year variance (%) | Explanation |
|--|--|---------------------------|-----------------------------|--|
| Scope 1 GHG emissions³ | | | | |
| Direct emissions | 20,181 <input checked="" type="checkbox"/> | 18,639 ⁴ | 8% | Variance is primarily driven by updates to organizational boundaries after reassessing site-level operational control. This impact is partially offset by reductions elsewhere in our network and methodology remains consistent year-over-year. |
| Scope 2 GHG emissions³ | | | | |
| Location-based | 64,410 <input checked="" type="checkbox"/> | 65,590 | -2% | Slight reduction in electricity consumption driven by the progressive implementation of energy efficiency initiatives across facilities, as well as the impact of weather variability. |

Indicators marked with a checkbox received external limited assurance for FY26. For further information, please refer to the auditors' report provided in the [Appendix](#).

¹ We use the market-based approach for Scope 2 to reflect CAE's active decarbonization decisions according to the framework recognized by the GHG Protocol and the SBTi.

² CAE extended in FY25 the scope of our carbon emissions inventory to include for the first time the Scope 3 category 'Use of sold products', contributing to the increase between FY24 and FY25.

³ FY25 energy and emissions data have been restated to reflect mainly updates to organizational boundaries (operational control approach), including the addition of sites, and updates to emission factors.

⁴ The variance between the FY25 restated data and the FY25 historical data (as presented in the [FY25 Global Annual Activity and Sustainability Report](#)) is 4.7%.

| Source | FY26 (tCO ₂ e) | FY25 (tCO ₂ e) | Year-over-year variance (%) | Explanation |
|--|---|---------------------------|-----------------------------|--|
| Scope 2 GHG emissions¹ | | | | |
| Market-based | 1,994 <input checked="" type="checkbox"/> | 9,584 ² | -79% | Decrease in market-based emissions driven by electricity purchases in a country where renewable electricity had not previously been procured, as well as by this year's procurement of renewable electricity for sites that have been included in reported year's procurement strategy following changes in organizational boundaries (FY25 restatements). |
| Scope 3 GHG emissions¹ | | | | |
| Categories 1 and 2 – Purchased goods and services / Capital goods | 173,939 | 199,107 | -13% | Material decrease in overall spend, as well as methodological refinements, including the progress of CAE's transition to a more precise hybrid calculation approach. |
| Category 3 – Fuel- and energy-related activities (not included in scope 1 or 2) | 19,118 | 19,632 | -3% | Slight decrease in energy consumption (as detailed in GRI 302-1), with offsetting effects across energy sources. |
| Category 6 – Business travel | 16,949 | 23,998 | -29% | Reduction in business travel emissions is attributable to parameter refinements, global reduction in air travel and also a modal shift from air to rail transportation, especially in Europe. |
| Category 7 – Employee commuting | 27,767 | 21,775 | 28% | Gradual increase in employee commuting, in line with the progressive return to on-site work. |
| Category 11 – Use of sold products | 114,020 | 115,555 | -1% | Lower products sales volumes, with offsetting effects from the geographic distribution of sales. |
| Category 15 – Investments | 4,535 | N/A | N/A | First time disclosure in FY26. |

Progress against decarbonization strategy

During the fiscal year, CAE continued to execute our comprehensive enterprise-wide decarbonization strategy. Progress was achieved primarily within the buildings and operations value stream through the use of long-term, market-based renewable electricity arrangements that support additional renewable generation, the deployment of on-site solar generation, energy-efficient replacement of aging equipment, and the incorporation of recognized green building certifications across selected sites.

In addition, CAE completed the first phase of our environmental life cycle assessment. Building on this foundation, we introduced a sustainable design approach across three core manufacturing activities – development, sourcing and production – designed to promote repairability, maintenance, reuse and upcycling, while reducing product weight, waste and energy consumption.

Annual achievements and progress within each decarbonization stream are outlined in the respective sections:

Sustainable buildings: Further detailed in [Energy](#), under Our performance.

Sustainable sourcing: Further detailed in [Responsible supply chain management](#) under Our performance.

Sustainable products and services: Further detailed in [Responsible resource use](#) under Our performance. ▶

Indicators marked with a checkbox received external limited assurance for FY26. For further information, please refer to the auditors' report provided in the Appendix.

¹ FY25 energy and emissions data have been restated to reflect mainly updates to organizational boundaries (operational control approach), including the addition of sites, and updates to emission factors.

² The variance between the FY25 restated data and the FY25 historical data (as presented in the [FY25 Global Annual Activity and Sustainability Report](#)) is 128.9%.

Supplier collaborations

By fostering innovation within our supply chain, we successfully optimize resources and processes to reduce CAE’s carbon footprint and that of our suppliers.

Collaboration between our Procurement and Engineering teams has led to significant improvements in cost efficiency and carbon performance, reinforcing the value of joint innovation across our supply chain. In FY26, two key initiatives highlighted the impact of these partnerships.

The first project focused on the motion system, a core simulator module responsible for delivering the six-degree-of-freedom movement that replicates aircraft behaviour during training. Working closely with our supplier, CAE’s teams implemented significant improvements that enhanced the module’s overall environmental performance, leading to a 20% reduction in GHG emissions across the raw material, manufacturing and end-of-life phases, along with a 3% cost reduction.

The second initiative centred on the computing complex, which includes the computing hardware used to control and manage the simulation environment. Through collaborative design refinements with the supplier, we achieved notable enhancements that improved material efficiency, system performance and end-of-life outcomes. These gains resulted in a 31% reduction in GHG emissions across the raw material and manufacturing and end-of-life phases, accompanied by an estimated 10% cost reduction.

These projects demonstrate how strong collaboration with suppliers enables CAE to drive operational excellence while reducing the environmental footprint of our simulators.

Décarbône+ second cohort

In collaboration with Décarbône+, CAE launched the second cohort of the 5-month program with 5 new suppliers involved. The most recent achievements related to this program are detailed in [Responsible supply chain management](#). ■

Climate change mitigation roadmap

Associated SDGs



| Key result | Target year | Status |
|--|-------------|------------|
| <ul style="list-style-type: none"> › Get third-party limited assurance of Scope 1 and Scope 2 location-based and market-based data › Complete GHG reduction program with direct strategic suppliers | FY26 | ■ Achieved |
| <ul style="list-style-type: none"> › Complete GHG reduction program with all strategic suppliers › Review Scope 3 inventory under the categories of purchased goods and services and capital goods, integrating primary data sourced directly from suppliers › Progressively expand public reporting on all material Scope 3 categories | FY28 | ■ On track |
| <ul style="list-style-type: none"> › Deploy decarbonization plan throughout CAE’s operations and supply chain, aiming at achieving near-term science-based targets | FY33 | ■ On track |

— ESRS E1

Energy

Why it matters

Energy consumption at buildings across our global network represents nearly 80% of our Scope 1 and 2 emissions, with annual electricity use generating approximately 65,000 tonnes of carbon dioxide equivalent (tCO₂e).

As part of our strategy to reduce CAE’s carbon emissions at the source and meet our renewable electricity targets by 2050, we are gradually transitioning to renewable energy across our network and applying sustainable practices in our real estate portfolio management.

Energy management plays an important role in supporting CAE’s transformation by managing operating costs, reducing exposure to energy price volatility, and strengthening the resilience of our global footprint.



Management approach

Energy consumption

CAE uses different types of energy to power our operations, including electricity, natural gas, diesel, propane and aviation fuel. Some sites generate electricity through solar panels, with new projects underway. Our FY26 energy consumption profile is further detailed in the [GRI Content Index](#).

Electricity consumption

In joining the [Climate Group’s RE100](#) in 2023, CAE added its voice to the over 400 companies worldwide committed to sourcing 100% renewable electricity by 2050. Alignment with the RE100 global benchmark reflects the scale of our ambition and intent, the credibility of our path and targets and a disciplined, long-term approach to energy sourcing that supports operational stability across our network.

We currently power facilities under our operational control with renewable electricity, through on-site generation¹ or the purchase of Energy Attribute Certificates (EACs) where available within market boundaries or from neighbouring markets.

Renewable energy procurement strategy

EACs are instrumental in CAE’s sustainability strategy, enabling us to endorse renewable energy projects and reduce the carbon impact from our operations on a market-based basis. To ensure quality, we select EACs with recognized verification standards, including [Green-e](#) (North America), Guarantees of Origin (Europe) and Renewable Energy Guarantees of Origin (U.K.), that align with [RE100 technical criteria](#).

We select EACs from around the world as available within market boundaries and based on proximity to consumption, technology, age of the power plant and vintage (year of generation).

We are also expanding CAE’s energy portfolio with virtual power purchase agreements (VPPAs) and power purchase agreements (PPAs) to secure long-term access to clean, renewable electricity and reduce exposure to volatile utility prices through multi-year agreements. Both instruments provide traceable renewable-energy credentials, ensuring our decarbonization efforts deliver both actual environmental impact and long-term strategic value. ▶

¹ CAE’s reporting is aligned with RE100’s definition and criteria for renewable electricity, which includes the procurement of RE100-compliant energy attribute certificates (EACs). In accordance with the RE100 framework, grid electricity consumed at our Uruguay facility qualifies as default delivered renewable electricity. Conversely, the grid electricity consumed in Québec (Canada), where our headquarters are located, is not recognized by RE100, as the framework applies at the country level and does not account for sub-national grids. However, based on the latest data available, 98.84% of the electricity distributed by Québec’s public utility company is generated from renewable resources. of the electricity distributed by Québec’s public utility company is generated from renewable resources.

Sustainable buildings

Sustainable buildings, one of the four streams under CAE’s decarbonization strategy, focuses on capturing energy efficiencies and savings in our real estate portfolio. Alongside emissions reduction, this stream supports CAE’s transformation by contributing to disciplined cost management and operational efficiency, in line with our performance and capital discipline objectives.

Serving as an internal playbook, our Sustainable Building Protocol incorporates energy efficiency optimization best practices in design, construction and maintenance of both CAE-owned or leased facilities.

For our existing building portfolio, this protocol involves integrating eco-performance criteria into our asset maintenance and replacement process. It prioritizes low-carbon solutions that reduce operational costs and emissions, while strengthening the sustainability profile and risk resilience of each location. We also leverage energy audits and long-term capital expenditure plans to identify and assess emissions-reduction opportunities based on environmental and financial feasibility, and operational practicality.

For opportunities that turn into projects, they follow sustainable-design principles and ensure sustainability goals are met at each stage, from initial opportunities identification to post-completion review.

The sustainable building strategy associated with our future portfolio entails proactive engagement and applies to facilities purpose-built for CAE. Site selection will consider key elements of sustainable construction, based on environmental site assessment, green building certification and design commissioning, to ensure that all new facilities meet CAE’s objectives of environmental responsibility and operational excellence. CAE is committed to all new building construction receiving green building certification recognized by the [World Green Building Council \(WorldGBC\)](#).

In addition to Sustainable Building Protocol, CAE’s Real Estate team builds on the *Five-Year Asset Maintenance Plan* to assess the replacement of equipment and systems in our buildings network. Our five-year Asset Maintenance plan prioritizes operational continuity and energy efficiency. The team also developed a Best Practices Energy Guide and provides direct support to sites on optimizing energy use and equipment performance. ■

Our performance

Real estate portfolio optimization and modernization

CAE Dallas West large-scale HVAC project progresses

We completed the initial phases of CAE’s most sizable site project to date – modernization of the heating, ventilation and air conditioning (HVAC) system at the CAE Dallas West Training Center.

Phase one of this six-stage project introduced new cooling towers and an eco-performing chiller, innovations anticipated to yield significant energy savings while cutting emissions by approximately 1,100 tCO₂e. Phase two focused on updating the main building’s HVAC and control equipment. We expect phase three, slated for completion in FY27, to save an additional 500 tCO₂e.

Budapest office achieves LEED Gold certification

Our Defense & Security office in Budapest, Hungary, achieved LEED Gold certification. The office sources energy from 100% renewable resources and uses heat-pump technology for heating and cooling. With this pairing, the site achieves low-emission heating and cooling, a critical step in building emissions reduction. ►



CAE’s Budapest office is now housed in a new LEED Gold-certified office building.

CAE secures multiple renewable energy projects for European sites

We secured a 10-year Virtual Power Purchase Agreement (VPPA) that mitigates energy costs volatility risks for the CAE London Gatwick and London Burgess Hill Training Centres, and supplies RE100-compliant renewable electricity. The agreement is expected to generate significant annual savings, reduce greenhouse gas (GHG) emissions and help stabilize long-term utility prices.

In parallel, CAE Burgess Hill pursued a Power Purchase Agreement (PPA) project, installing approximately 2,000 rooftop solar panels. The location will now generate nearly 20% of its annual electricity consumption, improving local generation capacity and resilience.

Finally, a physical PPA project initiated at CAE Barcelona Training Centre late in the fiscal year involved on-site solar panel installation that should result in a 20% reduction in the site’s grid consumption¹.

Smart batteries to foster energy resilience at CAE Montréal

Last January, CAE launched a pilot Battery Energy Storage System (BESS) at its Montréal facility in partnership with Gridsync, a Quebec-based innovator in high-capacity battery solutions. This large-scale project builds on more than a decade of emission reduction initiatives at CAE Montréal (Canada)—including HVAC upgrades, LED retrofits, electric vehicle infrastructure, and advanced energy management systems. The BESS addresses a technically complex and costly challenge: reducing the remaining 6% of fossil energy use (primarily natural gas) at a site where 94% of energy consumption is already supplied by low-carbon hydroelectricity.

By lowering electricity demand, optimizing energy use, and reducing reliance on natural gas during critical periods, the project delivers operational resilience, cost savings, and measurable GHG reductions. As a pilot, it enables the development of smarter consumption solutions and supports the growth of innovative energy companies, contributing to broader energy resilience. This achievement reflects CAE’s ongoing commitment to decarbonization, even as electricity and carbon costs rise and business cases become more complex. ■



CAE’s Burgess Hill training centre is now powered by nearly 2,000 solar panels, providing about 20% of its annual electricity.

¹ On April 8, 2026, as part of its transformation, CAE announced a review of its global footprint with a view to consolidating some sites. As a result, consultations are underway at the Barcelona site.

— ESRS E5

Responsible resource use

Why it matters

CAE applies responsible resource use practices across our operations, from product design and development to manufacturing and supply chain logistics. By reducing waste, managing water, improving material utilization and extending asset life, we help reinforce efficient execution, manage costs, mitigate supply risks and support customer expectations and regulatory readiness.

Governance

Governance responsibilities pertaining to water and waste management include Board oversight accountabilities, with the Chief People and Sustainability Officer (CPSO) and the Senior Vice-President, Operations in supervisory roles, and extend to Environment and Climate Change and Health & Safety teams' leadership.

Management approach

Our efforts focus on maximizing energy efficiency, sustainable consumption and production, and waste management across product and service lifecycles. We are progressively transitioning from individual initiatives to a more structured, enterprise-wide approach to responsible resource use. This shift reflects CAE's broader transformation agenda: moving to standardized, scalable practices and clearer accountabilities that improve cost, carbon and resource-effective execution across the enterprise. This includes exploring how to foster circular economy practices in CAE's operations, transforming and enhancing our processes to reduce energy consumption, resource use, and waste.

EH&S Management System

Our Environment, Health and Safety (EH&S) Management System defines the programs, processes and procedures applied at CAE-operated facilities worldwide, in alignment with our Corporate EH&S Policy.

These references guide our actions, with ongoing identification and implementation of prevention practices helping us shape and refine this system to enhance environmental protection and minimize the impact of our operations on use of natural resources and waste generation.



Waste management

We encourage all CAE sites to apply the 3Rs of waste management: the principles of reduce, reuse and recycle. We also strongly advocate for the adoption of non-hazardous materials throughout our operations whenever possible.

Waste management risks are primarily generated by production activities at our three manufacturing and assembly sites in Montréal (Canada), Tampa and Arlington (both in the United States).

Sustainable design activities and upcycling

As CAE advances its transformation with a focus on portfolio optimization and capital discipline, sustainable design and upcycling support longer asset lifecycles, stronger returns on existing platforms, and more resilient product strategies.

To increase the sustainability of CAE's product portfolio, we research ways to enhance simulator lifespan by incorporating sustainable design specifications into our product manufacturing and sourcing processes. ▶

We introduced the sustainable design approach into three core manufacturing activities: development, sourcing, and production – reflecting CAE’s shift toward a more integrated and effective operating model which enables more consistent execution and disciplined decision-making across the value chain. These guidelines promote the use of materials and components that enable repair, maintenance, reuse, and upcycling, while also reducing product weight and energy consumption. They further incorporate strict controlled-substances management and phase-out to replace hazardous materials with safer, more sustainable alternatives as per CAE’s regulatory obligations.

To facilitate this shift, we are progressively integrating sustainable design expertise into all design processes and initiating lifecycle assessments (LCAs) for products and technologies. The LCAs provide insights that support more resource-efficient design choices and help identify viable circular economy solutions. Lifecycle assessments also support customer sustainability reporting needs and strengthen compliance readiness by providing more robust product environmental information.

To extend the operational lifespan of existing products, we purchase decommissioned simulators and aircraft parts. After rigorous testing, we incorporate these parts into our products, reducing CAE’s environmental footprint by improving our circularity capabilities. Refurbishments offer a sourcing solution to discontinued items and hard-to-source items by reusing existing equipment.

We are also refining our strategy to assess the recyclability, reusability, and overall sustainability footprint of the materials sourced to manufacture our products. This strategy will guide decisions on material choices, end-of-life pathways, and opportunities to reduce resource consumption across the product lifecycle. ■

Our performance

In FY26, we prioritized initiatives that deliver measurable operational efficiency and strengthen resilience—consistent with CAE’s transformation focus on performance and disciplined execution.

CAE’s FY26 waste management performance and water consumption are further detailed in our [GRI Content Index](#) and [SASB Index](#).

Large-scale cockpit refurbishment projects

CAE completed approximately 215 significant cockpit refurbishment projects from FY20–FY26, with 30 delivered this fiscal year. The introduction of dedicated resources within our manufacturing team captured greater synergies, leading to increased operational efficiency.

For these refurbishment projects, we repurpose parts from decommissioned simulators and/or aircraft cockpits, along with used parts and components sourced individually or as kits. ▶

Significant cockpit refurbishment projects

| | FY26 | FY25 | FY24 |
|-------------------------------|------|------------------|------|
| Annual total | 30 | 42 ¹ | 46 |
| Cumulative total (since FY20) | 215 | 185 ² | 143 |

1 Last year’s report indicated that 30 projects were completed during the fiscal year. However, following a change in calculation methodology, this figure was revised to 42.

2 Last year’s report indicated that the cumulative total for FY20–FY25 was 160 projects. However, following a change in calculation methodology, this figure was revised to 185.

Continuous service support

CAE Aftermarket Services, which includes our SimEssentials Service Program and Motion Refurbishment Programs, supports continuous maintenance and lifecycle management to extend the lifespan of our customers' training devices, reducing operating costs and improving operational efficiency.

The CAE SimHub Store, a unique online purchasing platform, offers used, refurbished and new parts to our customers. By providing access to both high-quality used and new components, we promote sustainability and address component obsolescence.

Site initiatives

Initiatives undertaken at CAE sites continue to generate environmental benefits. Among the actions taken this year, our manufacturing teams optimized the use of metal sheets to reduce recyclable waste and lower purchasing costs.

Materials recovery and reuse

We continue our relationship with ECOTECH RDR and AIM Recycling, firms certified to recycle metals, printed circuit boards, cables and plastic. Through our ongoing collaboration with these environmental service suppliers, CAE contributes to responsible materials recovery, reuse and to circular economy.

Sustainable design training for engineers

To support CAE's transformation through stronger execution and capability building, under our CAE Resilient Together program, over 100 Hardware Engineering professionals strengthened their sustainable design capabilities by participating in targeted sustainability training delivered by Global Procurement and Supply Management. This initiative builds critical internal expertise, enabling engineers to embed lifecycle thinking and environmental performance criteria early in the design process, helping reduce environmental impacts while supporting innovation, cost efficiency, and resilient product development. ■



Social



3
Good health
and well-being



4
Quality
education



5
Gender
equality



8
Decent work and
economic growth



9
Industry, innovation
and infrastructure



13
Climate
action

— ESRS S1

Talent management

Why it matters

Our people are central to CAE's ability to deliver safe, high-quality and innovative training solutions. Maintaining a skilled, engaged and adaptable workforce – supported through recruitment, development, leadership and inclusive practices – is essential to sustaining operational excellence, supporting responsible growth and creating long-term value.

As CAE continues to evolve our business model and digital and simulation-based training solutions portfolio, our people must be equipped to grow alongside these changes. Continued focus on skills development, leadership and inclusive practices contributes to effective risk management and enables employees to drive innovation, performance and long-term organizational resilience. This supports CAE's transformation priorities by strengthening talent, leadership and capabilities needed for disciplined execution and consistent performance delivery.

As CAE advances our transformation plan, we recognize that changes may impact certain roles and teams. We are committed to managing this evolution responsibly through transparent communication, respectful engagement and support measures designed to treat employees with dignity and fairness throughout the process.

Governance

The Board of Directors' Human Resources Committee (HRC) oversees talent governance to ensure CAE has the capabilities required to execute our strategy and deliver business results. In this role, the Committee ensures that compensation and incentive programs are designed to support a pay-for-performance approach. The HRC also endorses the succession and leadership development plans for the President and Chief Executive Officer (CEO) and senior management. ▶

As part of its risk oversight mandate, the HRC reviews policies and practices associated with CAE’s human capital priorities – ranging from total remuneration and benefits to health and safety (HS) and aviation safety. It evaluates initiatives aimed at attracting, developing and retaining top talent across the company, ensuring alignment with our commitment to an inclusive workplace and equal opportunity.

To support this oversight, the Chief People and Sustainability Officer (CPSO) provides the HRC, CEO and Executive Management Committee (EMC) with periodic progress reports on CAE’s broader people strategy, including organizational culture and employee engagement. The HRC receives quarterly briefings from the Senior Vice President, Operations on HS and aviation safety. Business units (BUs) assess safety performance metrics during monthly business management reviews.

The Inclusion and Equal Opportunities (IEC) Council, composed of the CEO and other EMC members, contributes to the governance of inclusion and equal opportunity at CAE. A cross-functional committee supports the implementation of related workplace initiatives with regular progress reports to the IEC. ■

Management approach

The Global HR team acts as a strategic partner across CAE, playing a central role in creating an open, equitable environment for our people to realize their full potential.

Regional HR leads facilitate the introduction and ongoing success of programs and activities that support our culture, mission and vision. They also ensure smooth transitions during acquisitions and other significant organizational changes. ►

Our values

As One CAE, we are proud to work as one passionate, boundaryless and inclusive team with one common goal: to create success for all stakeholders, whether they are employees, customers or shareholders.



Empowerment

We give employees the freedom to succeed by enabling them to deliver, take initiative and make decisions at their level with personal accountability.

Integrity

We believe in clear, truthful communication: we tell the good so that we can celebrate together and the bad so that we can learn together. Customers, employees and shareholders all deserve honesty, transparency and responsiveness.

Excellence

We aim to be the very best at every level of everything we do. Employees, customers and shareholders know they can depend on us because we never give up.

Innovation

Thinking outside the box got us far and will get us even further, because we continually look for creative solutions in everything we do.

Putting people first

Our people strategy, programs and culture put employees at the heart of everything we do, with a focus on major priorities: talent attraction and retention; workplace experience; professional growth; total rewards and recognition.

Employee feedback and evolving needs shape the CAE FlexTime program, which enhances work-life integration through policies on flexible vacation, sabbatical leave, and paid parental and maternity leave.

This people-first mindset strengthens execution readiness by ensuring teams remain engaged, skilled and adaptable as CAE's portfolio and operating model evolve.

Inclusive workplace and equal opportunities

Our Inclusive Workplace and Equal Opportunities Policy establishes a framework for promoting equality, preventing discrimination and fostering a respectful environment where all employees are empowered to contribute and thrive based on skills, merit and contributions.

The Policy applies to CAE employees, customers, suppliers, business partners and site visitors. It defines roles and responsibilities and sets expectations for sustaining fairness and inclusivity, and operates in alignment with applicable laws, CAE's [Code of Business Conduct](#) and other relevant policies in all jurisdictions where we do business. ■

Talent attraction

CAE's approach to talent attraction is anchored in a newly launched Employee Value Proposition (EVP), introduced this year, which articulates our commitment to purpose, innovation and employee growth. Guided by the voices of our employees, the EVP synthesizes the perspectives gathered through surveys, focus groups, workshops, and cross-regional, cross-functional validation sessions.

It is designed to attract and engage individuals seeking meaningful careers that positively impact global safety and mission readiness. Whether in corporate functions or technical roles, our people propel CAE's mission to provide advanced training, simulation and critical operations solutions to prepare aviation professionals and defence forces for the moments that matter.

Our EVP is reinforced by our inclusive, collaborative work environment, where the coordinated efforts of our business leaders and Talent Acquisition (TA) team deliver opportunities for learning, career development and internal mobility.

Committed to fair hiring practices

To ensure a positive hiring experience for all CAE applicants, we implement measures that support equitable recruitment at every stage of the TA process.

Our TA Model incorporates inclusive methodologies and leverages strategic partnerships to identify qualified talent from diverse backgrounds based on skills, merit and contributions. Streamlined recruitment processes enhance the candidate experience, while also improving operational efficiency and reducing costs.

Our Hiring Guide outlines best practices for managers, from drafting accessible job postings to training on unconscious bias. ▶

Internship and WIL initiatives

CAE nurtures future talent through co-op placements, internships and work-integrated learning (WIL). Guided by our global TA Model, we ensure consistent and equitable recruitment, onboarding, mentorship and evaluation across all activities and opportunities.

Through the CAExplore internship program, students connect with peers and senior leadership at networking events and conferences, and through their contribution to real projects that fulfil CAE's mission. Mentorship and flexible working conditions provide students with the support and balance needed to thrive professionally and personally.

Additional information is available in the [Education and community engagement](#) section. ■

Talent development

When our people grow, we grow. CAE's learning ecosystem offers a blend of self-paced and instructor-led courses.

Our gateway platform Workday Learning provides access to over 20,000 resources, while our AI-powered Career Hub recommends courses and certifications tailored to individual career interests. Additional resources include webinars, panels and a LinkedIn Learning knowledge repository.

This library also covers sustainability and governance topics, with CAE-authored training and materials that also address important emerging matters.

To encourage internal mobility, employees can participate in our Gigs program, taking short-term assignments with other teams to further develop skills and interests.

Performance development

As a cornerstone of the employee performance development experience, CAE+me emphasizes one-on-one conversations for continuous improvement. Our biannual performance development cycle includes mid-year and year-end discussions that create the space for meaningful dialogue on performance, goals and personal development.

CAEmentor me connects mentees with mentors for guided development and knowledge sharing. Tailored coaching tools support leaders in their roles.

Leadership development

Leaders are essential to advancing CAE's mission and vision. We strengthen their capabilities through a comprehensive suite of development offerings, including our Leadership Development Program (LDP), which supports the development of strong leadership capacity across the organization. Over time, the LDP has contributed to building senior leadership capacity, with 9 former participants progressing into Vice President and executive roles at CAE.

The impact of leadership development extends organization-wide; by instilling a culture of continuous learning and growth, these programs equip leaders with valuable insights and skills that benefit employees at all levels, from emerging talent to experienced contributors. FY26 participation and program performance indicators are reported in the Performance section.



Talent engagement

Taking the pulse

Biweekly surveys provide prompt input and consistent metrics to measure employee engagement, well-being and stress levels in real time. Survey questions capture both positive and negative employee experiences, including indicators related to overall well-being, stress and job satisfaction. Together, these indicators help assess the effectiveness of key transformation initiatives and identify insights into perceptions of happiness and belonging at work and CAE’s culture of innovation. Leaders are encouraged and expected to review survey results and put actions in place to improve their team engagement. Findings are featured during town halls, where employees share input during interactive Q&A sessions.

Employee recognition

Visible, ongoing acknowledgment for employee accomplishments is essential to a motivated and engaged workforce. Our global recognition program CAEchampions and special events like Recognition Day build morale by celebrating achievements – from career milestones to daily contributions.

Employee support and well-being

CAEwellness encompasses our global employee support and wellness offering. It includes a confidential Employee Assistance Program (EAP) available to employees and eligible family members, providing resources for mental health, stress management and personal or work-related challenges. These are complemented by telemedicine services for direct access to medical and psychological care.

Regular internal surveys, including a dedicated wellness score, monitor employee well-being and inform continuous improvement to our initiatives, which also include sports and health programs. This holistic approach to mental, social and physical health is strengthened by flexible working arrangements, including flexible hours and remote work, under our FlexTime Policy and Global Remote Work Policy.

Labour rights

We guarantee the right of our employees to organize and communicate freely with management regarding working conditions without fear of harassment, intimidation, sanction, pressure or reprisal. CAE respects the freedom of association and the right to collective bargaining, including the choice of membership or non-membership in an association of their choice.

Recognizing that labour relations laws vary by country, we maintain constructive relationships with our unions and works councils globally. CAE HR Business Partners, with support from our CPSO, manage collective bargaining agreements in their respective regions in accordance with applicable laws and regulations.

Engagement channels and grievance mechanisms

We engage with our workforce through multiple channels that enable employees to share perspectives and raise concerns. These include anonymized engagement and wellness surveys; leadership-led assemblies incorporating live Q&A; ongoing dialogue with managers and HR teams; Employee Resource Groups (ERGs); and representative bodies, such as unions and works councils, where applicable.

We provide confidential channels for reporting potential breaches of the law or CAE’s Code of Business Conduct. Employees and third parties may submit reports securely and confidentially through the 24-7 CAE Ethics Helpline and website. In accordance with CAE’s Internal Reporting and Whistleblowing Policy, all reported concerns are assessed to determine whether an investigation is required. When deemed necessary, investigations are conducted thoroughly, with appropriate follow-up and remediation. ▶

Employee Resource Groups

ERGs contribute significantly to promoting inclusivity across CAE. Employee-initiated and -governed, each ERG is managed by a committee of employees who dedicate time beyond their primary professional responsibilities.

These groups host or co-sponsor activities aligned with their member-approved charters and mission statements, elevating awareness and building bridges for greater collaboration. Dedicated ERGs are based on common interests and open to all employees.

Compensation and benefits

Independent consultants advise CAE on our compensation and benefits programs, which are regularly reviewed to ensure competitiveness to attract and retain our talent. These compensation programs contribute to organizational resilience and create increasing, sustainable value for shareholders.

Benefits include:

- **Vacation and leave** – Flexible vacation, sabbatical leave, paid parental and maternity leave
 - Maternity leave: up to 6 months of paid parental leave, defined by country, in alignment with local legislation and market practice
 - Parental leave: up to eight weeks of fully paid parental leave (global minimum)
- **Health and well-being** – Flexible group insurance, physical and mental wellness programs, EAP and telemedicine services, supporting employee well-being and access to care across diverse needs and geographies
- **Financial** – Retirement saving plans and Employee Stock Purchase Plan (ESPP)

CAE offers a range of benefits and resources to support our employees, as outlined in our Compensation and Benefits Policy. Benefit programs vary by country, in alignment with local market practices.

Executive compensation and sustainability

In line with these objectives, executive remuneration is based on a pay-for-performance philosophy. This includes base salaries; annual short-term incentives contingent upon attaining consolidated business results and individual achievements; and long-term equity incentive awards.

Our CEO and EMC members have individual sustainability objectives against which their performance is measured and which factor in their annual remuneration. This practice directly aligns the interests of CAE executives with the long-term sustainability and success of our organization.

Comprehensive disclosures regarding these executive programs are available in the [FY26 Management Proxy Circular](#).

Pension plan

The independent firm overseeing CAE’s pension plan investments conducts periodic analyses that incorporate sustainable investment considerations.

Employee Stock Purchase Plan

To encourage employee ownership, CAE offers matching contribution options under different investment strategies for employees eligible to participate in our ESPP.

Since setting the objective in FY23 to expand the program globally, we have extended the eligible population to more than 95% of our global employee base today. ■



Policies

- > Policy on the Prevention and Management of Harassment, Discrimination and Violence in the Workplace (*internal*)
- > [Code of Business Conduct](#)
- > Flextime Policy (*internal*)¹
- > Global Remote Work Policy (*internal*)
- > Global Maternity Leave Policy (*internal*)
- > Global Parental Leave Policy (*internal*)
- > Global Sabbatical Leave Policy (*internal*)
- > Global Flexible Vacation Policy (*internal*)
- > [Human Rights Policy](#)
- > [Inclusive Workplace and Equal Opportunities Policy](#)
- > Leave for Special Medical Reasons, Family Obligations and Citizenship Ceremony (*internal*)
- > Employee Training and Development Policy (*internal*)¹

¹ Applicable in Canada.

Our performance

Metrics

Within this report, our [GRI Content Index](#) and [SASB Index](#) provide comprehensive data on CAE's talent-related performance, offering valuable insights into our talent management approach.

Aviation Talent Forecast

CAE's 2025 Aviation Talent Forecast was recognized as a finalist in the Skift IDEA Awards (Industry Innovators category), reflecting its influence in providing actionable intelligence for global aviation recruitment and training. By providing data-driven insights into emerging workforce needs, the Talent Forecast helps organizations anticipate industry shifts and prepare for sustainable growth, reinforcing CAE's leadership in securing the aviation sector's long-term operational resilience.

Internal mobility

Internal mobility supports the development of talent and the organization's transformation by enabling employees to move across roles, business units, sites, and geographies. In addition to short-term assignments such as the Gigs program, CAE promotes mobility as part of our talent reviews, with a target that by FY28, 25% of identified high-potential employees will have moved into new roles. This approach aims to strengthen succession planning, broaden experience, and ensure CAE has the capabilities required to execute our strategy and deliver business results.

- **Development** – Since its 2023 launch, 223 employees have participated in our Gigs program.
- **Training** – In FY26, employees averaged 7.01 hours of training, balancing mandatory sessions (e.g., compliance and safety protocols) with voluntary sessions, tailored to business needs, professional and individual development.
- **Mentorship** – Our CAEmentor me program has facilitated 918 mentor-mentee pairs since its 2019 inception.

Leadership development program: big ideas, bold thinking, real impact

This year's Leadership Development Program (LDP) cohort brought together 25 CAE leaders who developed strong recommendations and business cases to tackle real business challenges and help shape CAE's future.

TechTrack program FY26 "Tech Stars"

Our Technical Career Track (TechTrack) program provides a structured pathway for employees to develop their technical expertise and advance their careers.

With a focus on specialized skills, technical contributions and innovation, the program uses role-specific technical evaluation criteria aligned to assess individual employee performance and development needs.

Each year, CAE recognizes individuals from among the program's many participants for their demonstrated excellence. In FY26, more than 60 inductees from CAE locations worldwide became our newest "Technical Stars."

LEAP onboards fifth global cohort

LEAP develops future Civil Aviation training centre leaders through professional development and mentorship. Offered every two years, the program takes four to five years to complete. In FY26, a new cohort of 11 individuals from across our regions started their LEAP journey.

Sustainability training

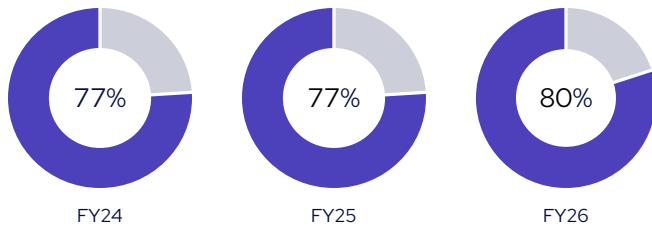
Aligned with CAE's [Sustainability Policy](#), we introduced our first training covering sustainability fundamentals, human rights and climate action. The three modules offered to all global employees strengthen employee awareness of social and environmental topics relevant to our activities, supporting responsible business conduct and long-term sustainability objectives. ▶

Pulse metrics

In FY26, we achieved a strong employee engagement score of 80%, consistent with FY25 and reflecting CAE's positive workplace culture. Engagement is measured through confidential, anonymous surveys to capture candid input on how employees feel about their work and the organization.

Responses are analyzed to identify how different drivers impact engagement, under categories that include interpersonal relationships, personal accomplishment, performance and feedback, and organizational connection.

Employee engagement score



Women in Governance Gold Parity Certification

For the third consecutive year, CAE earned the Women in Governance Gold Parity Certification. This recognition reflects our continued commitment to inclusive governance and gender parity.

Awards and recognition

2025

- Financial Times Diversity Leaders
- Forbes Canada’s Best Employers
- Canada’s Top 100 Employers
- Canada’s Top Employers for Young People
- Canada’s Top 100 Defence Companies
- HIRE Vets Platinum Medallion
- Newsweek World’s Greenest Companies
- Army Aviation Association’s Materiel Readiness Award
- Top 10 Human Resources Team Award

2026

- Women in Governance Gold Certification

Consult [Awards](#) on CAE.com for a cumulative list of current and prior accolades. ■





Talent management roadmap

Associated SDGs



| Key result | Target year | Status |
|--|-------------|------------------|
| Talent attraction | | |
| > Achieve 5% increase in internships and WIL opportunities in Canada | FY25 | Postponed (FY27) |
| > Achieve 10% increase in internships and WIL opportunities globally for diverse talent | FY28 | On track |
| Talent development | | |
| > Set development plans for 100% of high-potential employees | FY27 | On track |
| > Achieve 25% of high-potential employees changing roles (lateral, promotion) annually | FY28 | On track |
| Talent engagement | | |
| > Conduct a comprehensive incentive plan benchmarking review and implement plan design changes | FY26 | Achieved |
| > Conduct a comprehensive review of gender pay gap calculation methodology | | Postponed (FY28) |

— ESRS S1 / ESRS S2 / ESRS S3 / ESRS S4

Global Safety

Why it matters

As central to CAE’s vision and mission, our training, simulation and critical operations support solutions that elevate safety, efficiency and readiness to equip people in critical roles for the moments that matter.

This commitment starts internally, by ensuring the health, safety and wellbeing of our employees and contractors, in addition to the safety of customers engaged in training across the diverse fleets we operate at training centres worldwide.

CAE upholds a strong safety culture backed by policies, programs, processes and practices designed to protect, empower and reduce work and aviation safety-related risks. We consult with public safety entities, global defence organizations and representatives of the governments that rely on our comprehensive Civil Aviation and Defense & Security (D&S) portfolios to advance airworthiness and mission readiness.

Our leadership plays a pivotal role in elevating safety standards, standardizing training quality and overseeing training certifications. For CAE, compliance is not just a legal obligation, but a moral responsibility to protect our stakeholders and CAE’s reputation.

Governance

Our Board of Directors, Executive Management Committee (EMC) and leaders across the company oversee safety performance, risk management and regulatory compliance.

Board level

The Board’s Human Resources Committee provides stewardship of health and safety (H&S) and aviation safety, supported by quarterly reports on annual priorities and initiatives. The Committee reviews CAE’s Aviation Safety Program quarterly – including statistics, risks, incidents and critical corrective actions. Annually, the Committee conducts an assessment of aviation safety across Civil and D&S, reporting findings to the Board for strategic oversight.

EMC and Safety Executive Committee

The Safety Executive Committee (SEC) monitors H&S and aviation safety and takes decisive actions for continuous improvement. As an extension of the EMC, the SEC evaluates organizational performance against established governance and oversight metrics.

Chaired by the Senior Vice President (SVP), Operations, the SEC includes the President and Chief Executive Officer (CEO); Chief People and Sustainability Officer (CPSO); Chief Legal Officer; Presidents of Civil Aviation and D&S; Vice President, Global Safety and Governance (VP, GSG); D&S Director of Flight Safety and Standardization (FSS); and other senior leaders.

As part of CAE’s annual strategic planning process, the EMC establishes objectives and key results (OKRs). Performance measures are designed to be challenging and enhance the effectiveness of our risk management system. Civil and D&S executive management then communicate these OKRs to regional leaders and their teams for implementation.

The EMC and SEC review CAE’s annual H&S and aviation safety performance alongside policy and program audit recommendations. This oversight ensures that our sites and related activities comply with CAE’s internal requirements and applicable local regulations. ▶

Corporate and business units

The CEO receives quarterly updates on progress against targets during corporate business performance and business unit (BU) operational reviews.

The Civil and D&S Presidents cover H&S matters in monthly reviews with their management teams, with this information then cascaded throughout their BUs. They also oversee individually tailored safety programs that share the same imperative: to ensure CAE operates to the highest safety standards.

Under CAE’s transformation focus to drive business alignment and sharpen execution, the SVP, Operations assumes responsibility for consolidated operational functions and associated performance monitoring of both H&S and aviation safety. The VP, GSG now leads the improvement and next milestones of CAE’s integrated global safety systems, as well as our quality and compliance monitoring systems.

This streamlined leadership structure strengthens alignment across aviation safety and H&S risk and performance measures, supporting a more unified, proactive and data-driven approach to risk management.

The VP, GSG and D&S Director, FSS lead the deployment of CAE’s Aviation Safety Program in their BUs. They define the learning strategy for all safety-related training to ensure the acquisition of essential competencies for safe operations, while promoting continuous development to further enhance safety performance. ■

Policies

- › Aviation Safety, Quality Assurance and Compliance Monitoring Policy (*internal*)
- › Civil Global Safety Management System (*internal*)
- › D&S Global Safety Management System (*internal*)
- › [Global Environment, Health and Safety Policy](#)

Management approach

Safety is the core of CAE’s operations. In the context of CAE’s transformation, strong H&S and aviation safety governance underpin disciplined execution, risk management and operational resilience.

Health and safety

We prioritize H&S and operational safety as fundamental drivers of our transformation. From rigorous risk assessments and audits to specialized training, our disciplined programs and procedures promote a secure, healthy and high-performance work environment.

The intersection of safety and wellness is pivotal; as detailed in the Talent management section of this report, our holistic approach encompasses the CAEwellness program, which fosters a healthier, safer work culture.

Global Environmental Health and Safety Policy

As integral to CAE’s mission, vision, and corporate responsibility, this Policy reflects our pledge to cultivate a proactive safety culture and a health-first environment. It follows international standards and communicates how our dedication to continuous program and performance enhancement extends beyond compliance. ▶



H&S Management System

CAE’s Environment, Health and Safety (EH&S) Management System provides the foundation for the three pillars of our H&S strategy:

1. Risk management programs
2. Effective leadership practices
3. Clear, bidirectional communication

We identify annual priorities under each pillar to drive continuous improvement and strengthen our safety culture. Through this practice, CAE upholds programs and policies that consistently meet all applicable requirements and regulations.

Our integrated ISO 14001/45001-aligned management system outlines processes to enhance performance and applies to CAE sites worldwide.

The H&S team works with site leadership to develop and implement programs and procedures that advance safety operational excellence and achieve our injury reduction targets. The team oversees a top-tier program that provides sites with standardized guidelines for efficient risk management practices. Employees receive relevant safety training to maintain appropriate levels of knowledge and awareness.

Pillar 1: Risk management programs

EH&S event management program

Through this robust program, we conduct thorough reviews or investigations based on the actual or potential severity of each incident. Root cause analyses are performed to ensure adequate preventive and corrective actions are implemented. This includes events with no consequence (near misses) and minor injuries.

Events with high potential consequences trigger a significant event process that initiates prompt communication to the EMC, preliminary alerts to all sites and an on-site, in-depth root cause analysis led by the H&S team. Following significant event investigation and corrective action approval by senior management, our Learning from Events (LFE) methodology requires applicable measures be taken at all sites.

- 30–45 days, sites must confirm deployment of corrective action, verified by site leader sign-off.
- At 120 days following the implementation due date, site leaders perform LFE validation to demonstrate risk management efficiency and confirm corrective measures remain in place.

Internal and external compliance audits

Site leaders are responsible for ensuring compliance with CAE EH&S programs and procedures, measured through a self-audit process that requires their sign-off. The H&S team conducts annual audits on a risk-weighted sample of sites to evaluate all management system programs and procedures. Audit reports are escalated to the EMC, with an executive summary submitted to the Board.

Our audit program also verifies compliance through documentation review of key EH&S Management System processes. This includes mandatory external audits of all ISO-certified sites, according to the requirements of the respective certification. A list of CAE locations that elect to pursue this status is available under [Site certifications](#).

Site security and emergency preparedness

Our Global Security Policy provides the security structure, governance and guidance to safeguard our employees, visitors, assets and facilities. CAE Global Security implements policy guidelines and ensures compliance across the organization. Within the scope of incident response, resilience and recovery, Global Security manages security assessments, 24-7 incident response, emergency planning and awareness training.

The team develops site-specific emergency plans and trains employees on their roles for a safe, rapid response. These plans follow the protocols of CAE’s Business Continuity Management Framework, maintaining high operational resilience in our global operations. ▶

Pillar 2: Effective leadership practices

Leadership and culture

We believe everyone at CAE has a role to play in workplace safety. This enterprise-wide commitment to excellence in H&S and environmental practices is supported by 200+ regional EH&S representatives.

Our Leadership in Action program encourages leaders to recognize and reinforce safe behaviours; support H&S messages and initiatives; and discuss risks and compliance requirements with employees. These practices reinforce the visibility and active presence of leadership in promoting CAE's safety culture and are vital to sustaining our strong safety commitment.

Engagement and accountability

We engage employees in H&S through multiple channels. CEO Sessions and executive townhalls enhance the importance of our safety culture, together with safety concerns reporting, safety indicators and ongoing initiatives.

Through our EH&S event notification process, we actively involve employees in sharing safety observations and reporting incidents. This engagement in injury prevention strengthens our EH&S culture worldwide.

Pillar 3: Clear, bidirectional communication

Empowering employees through learning and communication

Through trainings, notifications and the CAE360 intranet, we offer educational resources and communicate the important role everyone plays in contributing to safety.

CAE's onboarding process for new employees integrates EH&S e-learning with a roles and responsibilities guide, providing clarity on expectations and accountability at all organizational levels. The guide emphasizes our expectation that everyone adheres to injury prevention best practices to avoid exposure to risk.

Beyond onboarding, our comprehensive EH&S training is tailored to employee roles and risk exposure. Mandatory event reporting training empowers everyone to own workplace safety and speak up about concerns without fear of reprisals. ■

Aviation Safety

Just Culture

CAE believes a "Just Culture" promotes open, honest reporting. As a non-punitive approach to safety management, front-line operators and others are not penalized for actions, omissions or decisions taken by them that are commensurate with their experience and training. However, gross negligence, willful violations and destructive acts are not tolerated.

As per our annual recognition program, we honour employees who excel in aviation safety.

Aviation Safety, Quality Assurance and Compliance Monitoring Policy

Our Aviation Safety, Quality Assurance and Compliance Monitoring Policy sets the aviation safety goals and objectives for the organization. This policy details our commitment to aviation safety and provides the frame of reference for CAE's Aviation Safety Program, which addresses the four components of aviation safety: safety policy, risk management, assurance and aviation safety promotion.

Safety Management System

CAE's Safety Management System (SMS) draws upon internal expertise and follows standards and practices recommended by the International Civil Aviation Organization (ICAO) and other regulatory agencies worldwide. We continuously benchmark our performance against industry-wide best practices and lessons learned.

This centralized monitoring and analysis system promotes accountability, responsibility and resource deployment. Our SMS proactively identifies hazards to minimize risks and interfaces with CAE's enterprise risk management system to provide relevant and usable data to our internal aviation safety network. Dashboards facilitate goal setting and continuous performance measurement. Real-time data provides valuable insights that shape our strategy and inform our decisions.

Reporting and investigation

Global Aviation Safety personnel routinely receive a broad spectrum of voluntarily submitted safety reports, which they use to identify trends and guide safety management activities. Following the investigation of a safety occurrence, a report is issued. This results in recommendations for BU implementation to prevent reoccurrence. ▶

Emergency response and oversight

In the event of a serious incident or accident, CAE’s in-house emergency response plan activates procedures for contacting the EMC, SEC and representatives from Communications. In parallel, the VP, GSG, supported by the D&S Director, FSS for D&S-related events, assumes oversight of any investigation, assisting aviation safety authorities where appropriate.

Aviation safety data monitoring program

Aviation safety indicators

CAE applies the in-house concept of Acceptable Level of Safety Performance (ALoSP) and Target Level of System Compliance (TLoS).

We use ALoSP as a data-driven mechanism to monitor aviation safety performance levels within our corporate safety framework. This performance-based approach helps us track and measure SMS implementation across our Civil training network.

TLoS serves as our indicator for ensuring a robust level of quality and compliance. Through integration with ALoSP, we create a predictive indicator that identifies possible future safety issues and risks. This approach enables prioritization of the most pressing and time-critical issues while informing longer-term strategies measured against organizational OKRs and key performance indicators (KPIs).

Category A and B incidents

As classified by the severity of their consequences, incidents range from Category A (most severe) to Category E (least severe, no damage). Category A accidents are defined as events where one or more aircraft are destroyed and/or there are fatalities or missing persons. Category B incidents involve events where one or more aircraft are destroyed or sustained major damage exceeding \$100,000, or there are serious injuries. ■

Our performance

Health and safety

Leading indicator: Observation rate

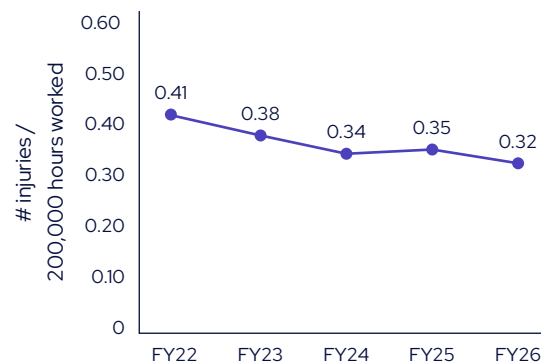
Our observation rate continues to steadily increase due to improvements in our reporting culture and employee sensitization. Encouraging employees to actively report workplace risks or hazards positions us to act promptly, mitigating or eliminating these risks before accidents occur.

Additional coverage of CAE’s FY26 H&S performance is provided in the [GRI Content Index](#) and [SASB Index](#) sections.

Lagging indicators: Injury trends and significant events

We achieved a 0.32 Injury Frequency Rate in FY26, reflecting a reduction in common work-related injuries (e.g., slips, trips and falls, musculoskeletal strains/sprains).

The occurrence of four significant events and no fatalities in FY26 underscores our commitment to a safety-first culture and reinforces the imperative for sustained vigilance in safety measures. ▶



| | FY26 | FY25 | FY24 | FY23 | FY22 |
|--------------------|------|------|------|------|------|
| Significant events | 4 | 6 | 9 | 5 | 10 |

Risk management initiatives

We completed 12 on-site, in-depth compliance audits under our EH&S Management System. We also continued to deploy and implement strong risk management processes to improve safety of our operations. Actions included the deployment of an updated EH&S risk management program with improvements to standardize and simplify risk identification and mitigation processes. We also improved our ergonomics risk management program to ensure our employees are better equipped and trained to identify ergonomics risks in their work environment.

To mitigate working-at-height risks, we implemented a risk management process that includes a permit-to-work system to ensure operational safety.

Integration of safety metrics into strategic objectives

Global safety OKRs continue to be embedded in performance measures for CAE senior leaders, including the OKRs of the CEO and direct reports. In FY26, senior leaders supported initiatives aimed at strengthening our reporting culture.

Global hazardous situations reporting campaign: See something, do something!

CAE strengthened our commitment to a safer, more sustainable workplace with the launch of the global “See something, do something!” campaign. Designed to empower every employee to take an active role in preventing EH&S risks, the campaign reinforces a simple three-step approach: Observe, Act, Report.

Over the past 18 months, reporting rates have steadily increased, reflecting the growing maturity of CAE’s safety culture and the positive impact of employee engagement.

Employee recognition program

Our new H&S recognition program honours efforts and initiatives of employees, teams and sites that go “above and beyond” to maintain a safe workplace. Seven employees received a certificate of recognition.

World Day for Safety and Health at Work

We celebrated World Day for Safety and Health at Work with a thought leadership panel streamed live to all CAE locations, moderated by the CPSO. Aerospace industry H&S leaders shared best practices and initiatives that contribute to a safe workplace for employees and contractors.

Aviation safety – Leading indicators

Civil safety achievement benchmarks

In FY26, Civil maintained a TLoSC score of 40%, comparable to FY25 at 41%. Modifications done to the TLoSC methodology – now measured against 10 KPIs – partially explain some improvement gaps in progress toward the 60% target.

Civil live flight training centres recorded an ALoSP of 65%, based on an aggregate analysis of 17 KPIs – representing a 21% improvement and approaching the 75% target for ab initio (on-aircraft) training. The simulator training centre network registered an ALoSP of 67%, based on a revised set of 12 KPIs, and fell short of the 78% target for the year.

Aviation safety reports

Safety reports are voluntarily submitted by staff or crew members to highlight potential concerns or incidents they have observed or experienced. To help measure the health of our safety culture, we apply the industry standard calculation of reports per 10,000 flight hours to determine a normalized reporting rate.

- **Civil** – 123 voluntary reports per 10,000 hours combining live flight training operations (which include aircraft maintenance and engineering) and simulator training centres, representing an increase of 28% year over year.
- **D&S** – 102 voluntary reports per 10,000 hours from live flight training operations, representing an improvement of approximately 59%, significantly exceeding the annual target of 2% increase in voluntary safety reporting.

Our FY26 results reflect a maturing system, enhanced scope and positive safety culture. ▶



Aviation safety – Lagging indicators

Category A and B incidents

| Incident category | Business unit | FY26 | FY25 | FY24 |
|-------------------|---------------|------|------|------|
| Category A | Civil | 0 | 0 | 0 |
| | D&S | 0 | 1 | 0 |
| Category B | Civil | 2 | 2 | 3 |
| | D&S | 0 | 0 | 1 |

In Civil, the rate per 10,000 flight hours for Category A accidents and Category B incidents was 0.16, comparable to 0.17 in FY25. In D&S, the rate per 10,000 flight hours for Category A and B incidents was 0.00, compared to 0.11 in FY25, exceeding the target of a 2% annual reduction in aviation safety incidents involving serious injury or material damage.

CAE’s performance compares favourably to the most recent industry-wide baselines¹ of 0.39 per 10,000 flight hours for the overall general aviation accident rate and 0.26 for the instructional accident rate.

Airworthiness directives

Airworthiness is a critical safety standard ensuring an aircraft is fit for flight. National aviation authorities issue airworthiness directives based on where an aircraft is manufactured or registered. Compliance is mandatory.

In the civil sector, 6 Airworthiness Directives (ADs) issued affected 50 CAE aircraft. In the defence and security sector, 2 ADs issued affected 21 CAE aircraft. While the number of ADs fluctuates from year to year due to external authorities responsible for issuing them, all were comprehensively addressed in accordance with regulatory requirements, demonstrating CAE’s due diligence in upholding airworthiness standards.

Our FY26 aviation safety performance is further detailed in our [GRI Content Index](#) and [SASB Index](#). ▶



¹ Source: National Transportation Safety Board data as analyzed in the AOPA Air Safety Institute’s 35th Richard G. McSpadden Report (2025). Industry standard 2023 rates were normalized to a 10,000-flight-hour baseline to match internal reporting.

IATA Safety Culture Survey

In FY26, CAE invited a targeted group of 4,750 employees to participate in the IATA Aviation Safety Culture (I-ASC) Survey, conducted in collaboration with the International Air Transport Association (IATA). This biennial, impartial assessment supports compliance with ICAO SMS standards and provides a data-driven benchmark of our safety culture. Initially focused on the Civil BU, the survey will expand organization-wide in FY27 as our safety programs transition into a centralized system for all CAE personnel.

Respondents rated 58 individual statements (independent variables) and two overarching perception statements (dependent variables), allowing us to determine the importance of each driver, the higher the score, the stronger the relationship between that specific driver and the overall safety culture.

Survey results confirmed respondents regard CAE as an employer who prioritizes safety. The average score exceeded 6 out of 7 points and demonstrated our continued improvement over the last 4 years. In parallel, the response rate reflected a significant level of engagement and provided sufficient statistical validity to benchmark our results against industry standards.

We intend to integrate I-ASC Survey findings into our broader efforts to refine ongoing educational initiatives and improve internal communication and management alignment. The results will support delivery on our mandate to anchor safety as a primary operational driver in CAE’s organizational culture and a key contributor to long-term success.

My employer always puts safety first
(Average score)



My employer is one of the safest in the world
(Average score)



Aviation safety promotion

Civil’s aviation safety communications strategy included the release of weekly and monthly risk summaries, lessons learned articles, thought leadership contributions and in-person events hosted at our training centres.

Acting on the results of the internal safety culture survey, D&S strengthened its commitment to safety by launching the “See it, Say it, Solve it” campaign, bolstered by targeted promotional materials to maintain high awareness, and educate employees on their responsibilities and reporting procedures. By encouraging employees to identify, report and work together to mitigate risk, this initiative helps build a safer workplace for all. ▶

Aviation safety recognition

Our Civil and D&S global aviation safety recognition programs recognize CAE staff, instructors, pilots, engineers and maintenance personnel in training who take positive actions to enhance aviation safety. We select individuals whose efforts in safety promotion stood out as especially exemplary.

We also highlight ongoing contributions to CAE’s Just Culture, naming an aviation safety champion of the month in each of our BUs. Below are three employees whose achievements were recognised in FY26, among our other monthly award winners. ■

1. Sydney Parise

Ground Instructor, CAE Orlando Lake Nona

Sydney was praised by clients for having taught skills during simulator training, which later prevented an accident outcome in a live-flying incident.

2. Enrique Sirolich

Aviation Safety Officer, CAE Madrid (based in Malaga at a subcontractor site)

Enrique proactively identified and reported critical flight-control system issues, driving manufacturer remediation and strengthened subcontractor governance. His actions reinforced a strong aviation safety culture across the broader aviation ecosystem.

3. Charbel Dahak-EI-Ward

Technician Operations Lead – Central Europe, CAE Amsterdam – Schiphol

Charbel delivered a global dashboard for flight simulation and training device (FSTD) performance that helped address a long-standing gap that had remained unresolved at CAE for several years that has enhanced the hazard identification and risk mitigation paradigm.



Global safety roadmap

Associated SDGs



| Key result | Target year | Status |
|--|-------------|---|
| <ul style="list-style-type: none"> › Integrate safety performance indicators into executive compensation › Integrate EH&S leadership into CAE leadership training programs | FY27 | ■ On track |
| <ul style="list-style-type: none"> › EH&S programs and system procedures aligned with ISO 45001 and 14001 standards | FY28 | ■ On track |
| <ul style="list-style-type: none"> › Ensure policies and procedures are reviewed annually to maintain compliance › Cultivate Just Culture | Annual | ■ On track |
| Civil Aviation | | |
| <ul style="list-style-type: none"> › Increase ALoSP in ab initio training centre network by 31%, from 44% to 75% › Increase ALoSP in non-ab initio training centre network by 7% from 71% to 78% › Increase TLoSC in the training centre network by 19% from 41% to 60% | FY26 | ■ Not achieved ¹ Subsequent target set for FY27 |
| <ul style="list-style-type: none"> › Enhance safety culture survey results by 3 points, from 32% (2025) to 35% (2026) | FY27 | ■ On track |
| Defense & Security | | |
| <ul style="list-style-type: none"> › Act on results of safety culture survey (launched end of FY25) | FY26 | ■ Achieved |
| <ul style="list-style-type: none"> › Establish D&S-specific audit and review program | FY28 | ■ On track |
| <ul style="list-style-type: none"> › -2% per year in aviation safety incidents with serious injury or material damage › +2% per year in voluntary safety reports | Annual | ■ On track |

¹ KPIs behind target for the year due to audit findings and continued business, and organizational changes in our global operations.

— ESRS S1 / ESRS S2

Human rights

Why it matters

CAE considers safeguarding human rights as a fundamental corporate responsibility, integral to our mission, values and long-term business strategy. Every individual deserves to be treated with fairness, respect and dignity.

We are a UN Global Compact (UNGC) signatory and member of the International Forum on Business Ethical Conduct. We respect and enforce the 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.

As a global aerospace and defence company subject to evolving regulatory expectations and within CAE's broader transformation, safeguarding human rights is a key enabler of effective risk management and regulatory compliance. It also contributes to maintaining customer and supplier relationships and upholding our corporate values in an increasingly scrutinized global operating environment. This is why human rights considerations are embedded in our policies, governance, and risk management processes, and extend beyond our own operations to our suppliers and business partners.

Governance

The Board of Directors' Human Resources Committee provides governance oversight by reviewing sustainability policies, overseeing an integrated aviation safety and health and safety framework, and monitoring human resources-related risks. It ensures that leadership development, succession planning and incentive structures align with CAE's organizational integrity and human rights commitments.

The Board's Governance Committee oversees CAE's commitment to human rights by monitoring the company's Human Rights Policy, Ethics and Anti-Corruption program and sustainability disclosures, including the annual review and recommendation of CAE's modern slavery-related disclosure.

The Chief People and Sustainability Officer (CPSO) holds overall responsibility for organizational oversight of human rights issues. This includes developing guidelines and initiatives to support related policies, programs and risk mitigation. The Sustainability and HR teams actively monitor leading practices and emerging developments to support the CPSO in this mandate.

The Chief Legal Officer, supported by the Global Ethics and Compliance Office and the Legal team, directs the enterprise-wide implementation of compliance processes and conducts regulatory monitoring.

Global Procurement and Supply Management (GPSM) maintains CAE's Supplier and Business Partner Code of Conduct and the policies and processes applicable to suppliers, contractors and subcontractors throughout our supply chain.

A Human Rights Task Force manages the process for identification, assessment, management, monitoring and reporting of human rights risks within our operations and across our broader upstream and downstream activities, including business partners and suppliers. The Task Force unites representatives from Sustainability, Global Ethics and Compliance, and GPSM, supporting effective risk management.

As a [UN Global Compact](#) signatory, CAE commits to actively uphold **Principles 1 to 6 and 10** across our strategies and our operations. We recognize these principles as the foundation for promoting **fairness, respect and dignity**, and for protecting the human rights derived from the [Universal Declaration of Human Rights](#).

We also follow the core 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.

Management approach

Human rights accountability

The Code of Business Conduct and the Supplier and Business Partner Code of Conduct serve as the primary references for managing human rights at CAE. By acknowledging these Codes, employees and third parties that work with us affirm their commitment to respecting human rights.

Our Human Rights Policy and Inclusive Workplace and Equal Opportunities Policy further guide our actions and strategy as a global organization.

We uphold employees' right to freedom of association, including the right to unionize and to communicate freely with management about working conditions without fear of reprisal. We maintain constructive relationships with unions and works councils globally.

Human rights risk assessment and due diligence processes

Our Code of Business Conduct and Human Rights Policy describe our risk-based approach for mitigating human rights risks.

A comprehensive risk assessment process is conducted enterprise-wide every two years. The assessment of exposure to human rights risks includes a review of human rights indexes, geopolitical heat maps, government debarred and denied parties lists and other credible references that contain human rights considerations.

Human rights risks are evaluated based on their severity (scale, scope, irremediability) and likelihood. The occurrence of the process may be reviewed to address new requirements in relation to human rights, in the case of a significant event or a significant change in the company's operations, geopolitical context, market conditions or other similar circumstances.

The risk assessment process is based on the UN Guiding principles on business and human rights and its 'Protect, Respect and Remedy' Framework. ►

CAE policies further require us to conduct risk-based due diligence on suppliers and business partners to ensure that we only work with third parties that share our values of integrity. We expect all third parties that we work with to meet our standards for ethical business conduct, including with respect to human rights as outlined in CAE's Supplier and Business Partner Code of Conduct included in our standard terms and conditions.

The Sustainable Procurement and Supply Management Framework unites our sourcing teams in the universal application of human rights due diligence principles and requirements for responsible supply chain management.

Supplier risk identification is performed on a recurrent basis through EcoVadis, a globally recognized sustainability rating platform that includes "Labour & Human Rights" as a foundational pillar in its scorecard. This pillar evaluates how companies manage employee safety, working conditions, social dialogue, career development and fundamental human rights protections across operations and supply chains.

Learn more about how CAE addresses third-party due diligence in the sections [Business ethics](#) and [Responsible supply chain management](#).

Reporting mechanisms and remediation

CAE provides internal and external channels for reporting potential human rights violations. Employees, customers, suppliers, business partners or others with concerns can seek guidance or report violations through direct dialogue. Additionally, reports can be made via the confidential 24-7 CAE Ethics Helpline website and global call centre. All inquiries are addressed, and appropriate remedial action is taken, where necessary. If misconduct is confirmed, we apply disciplinary measures.

Consult the [Business ethics](#) section for detailed coverage.

Awareness training

CAE employees are required to complete training on the contents and importance of the Code of Business Conduct and related policies, including our Human Rights Policy.

We also provide awareness training on human rights, modern slavery and human trafficking to employees in high-risk areas and involved in our supply chain. ■

Our performance

Labour relations and rights

We ensure that employee representation and collective bargaining arrangements are in place where applicable. A portion of CAE's workforce is covered by collective agreements negotiated with recognized labour unions, which define terms and conditions of employment and support structured social dialogue between employees and management.

In FY26

- › 1,779 of CAE's ≈ 11,500 employees are unionized.
- › The workforce is covered by 46 different collective agreements, each with its own set of terms and varying expiration dates.



Policies

- › [Code of Business Conduct](#)
- › [Supplier and Business Partner Code of Conduct](#)
- › [Human Rights Policy](#)
- › [Global Environment, Health and Safety Policy](#)
- › [Inclusive Workplace and Equal Opportunities Policy](#)
- › [Purchasing Policy \(internal\)](#)
- › [Purchasing General Terms and Conditions](#)
- › [Sustainable Procurement and Supply Management Framework \(internal\)](#)
- › [Policy Against Psychological Harassment, Discrimination and Violence in the Workplace \(internal\)](#)

Supplier social and human rights screening

Our supplier assessments are a key element of our human rights due diligence. In FY26, we continued to report on CAE's screening of new suppliers using social criteria, as well as on negative social impacts in the supply chain and actions taken.

Further details are available in our [GRI Content Index](#). ▶

Training on human rights

CAE strengthened awareness of human rights risks through both targeted and enterprise-wide training. In FY26, Global Procurement & Supply Management (GPSM) team members completed a mandatory training module on human rights due diligence, reinforcing expectations related to responsible sourcing and supplier oversight.

In addition, CAE’s new sustainability training program, introduced in FY26 and including one dedicated module on human rights, complements the annual Code of Business Conduct training, by raising employee awareness of human rights issues such as harassment, child and forced labour, and human trafficking. Both trainings are available to all employees, with mandatory annual acknowledgment and training on the Code of Business Conduct.

See [Acknowledgment of the Code of Business Conduct](#).

Modern slavery and Human trafficking Statement

In accordance with mandatory disclosure requirements, CAE publishes an annual Modern slavery and Human trafficking Statement outlining its approach to identifying and mitigating related risks across its operations and supply chain.

The Statement is available [here](#). ■

Human rights roadmap

Associated SDGs



| Key result | Target year | Status |
|---|-------------|---|
| <ul style="list-style-type: none"> Continuously review and refresh policies associated with human rights management in regard to evolving legislation in all jurisdictions in which we operate | Annual | ■ On track |
| <ul style="list-style-type: none"> Delivery of customized training for most exposed teams | FY26 | ■ Achieved |
| <ul style="list-style-type: none"> Provide human rights training to suppliers as part of the CAE Resilient together program Provide human rights focused awareness training to CAE’s Board of Directors | FY27 | ■ On track |
| <ul style="list-style-type: none"> Reassess salient human rights risks covering both Tier-1 and sub-tiers levels Provide Human rights training to all direct suppliers | FY28 | ■ On track |

— ESRS S3

R&D and innovation

Why it matters

Research and development (R&D) at CAE builds on nearly 80 years of applying technology in novel ways to establish and sustain market leadership in our industry.

R&D at CAE focuses on excelling at what we do best – harnessing the power of technology to make the world safer and defining the future of our industry. Through our innovation process, we create products and services that promote long-term viability, address environmental challenges, and optimize resource usage.

By identifying emerging market needs, advancing technological frontiers, and translating innovation into scalable solutions, R&D helps inform portfolio decisions and supports the prioritization of innovation efforts aligned with CAE’s transformation priorities of capital discipline, operating model effectiveness, and performance.

Working as One CAE, we develop software-based simulation training and critical operations solutions that benefit our customers and create positive impact.

By engaging with our broader innovation and collaboration ecosystem, CAE contributes to groundbreaking developments and opportunities for continuous industry momentum. These partnerships position our organization as a technology leader on a global scale and contribute to the attraction and retention of world-class talent at CAE and externally.

Governance

Board level

The Board of Directors’ Technology Committee reviews our technology and data strategy no less than once per year to ensure alignment with CAE’s global strategic plan and implementation across all subsidiaries. Committee membership consists of a minimum of three independent directors appointed annually.

The Committee assesses emerging technology trends, including artificial intelligence (AI), and evaluates potential impacts on CAE’s strategic priorities including current transformation agenda. It is responsible for overseeing major risks associated with our technology strategy, IT systems, related investments and operations – specifically third-party dependencies and AI development. Oversight responsibilities also include CAE’s Cybersecurity Program, including quarterly reviews of IT and cybersecurity risks.

Additionally, the Technology Committee advises the Audit Committee on technology matters affecting internal controls and the Governance Committee on technology matters affecting compliance programs. The Committee conducts an annual self-assessment of its Charter and elevates any critical findings to the Board.

Capital allocation and selective investment

Our innovation strategy and capital allocation undergo an annual review to identify priorities and determine spend, resulting in an approved list of initiatives. Customer insights, technology trends, and sustainability considerations inform our strategy, portfolio review, capital allocation and R&D investment proposals. This approach supports CAE’s transformation by reinforcing disciplined and informed investment decisions and prioritizing initiatives with clear performance and strategic outcomes. Relevant members of the Executive Management Committee (EMC) govern R&D investments in accordance with CAE’s Research and Development Investment Policy.

The Chief Technology Officer (CTO), working in close partnership with the Chief Strategy Officer (CSO), helps shape CAE’s technology and innovation agenda while safeguarding the company’s technological leadership. In this pivotal role, the CTO evaluates and advances the application of emerging and frontier technologies, including adaptive and generative AI, while the CSO helps ensure alignment with CAE’s sustainability commitments, enterprise commitments and long-term value creation. ▶

Operational governance of CAE's global R&D and collaboration portfolio is supported by dedicated senior leadership and a cross-functional committee that oversees project selection, prioritization and alignment with CAE's technological roadmap and transformation priorities. Dedicated incubation governance committees support the evaluation and prioritization of early-stage R&D projects, with a focus on de-risking developments and validating their potential before progressing toward market-ready solutions.

Intellectual property

Essential to safeguarding CAE's competitive intelligence and technology investment, our intellectual property (IP) governance framework ensures management of assets and risks in support of business objectives. CAE's Intellectual Property Policy sets out the core principles of this framework and defines roles and responsibilities across the organization.

Strategic oversight of intellectual property is provided by the Board's Technology Committee, reflecting the critical role of IP in CAE's long-term innovation and technology strategy. IP decisions with material implications for the company are overseen by the IP Committee, composed of the Chief Legal Officer and the Chief Technology Officer, while day-to-day execution is supported by CAE's IP department.

CAE's IP department protects IP assets, addresses risks and supports strategic negotiations. In collaboration with the Legal and Engineering teams, it establishes governance standards and delivers awareness and training across the organization.

Effective IP governance supports CAE's ability to reinvest in innovation, maintain resilient and secure technologies, and contribute to the long-term sustainability of its products and services. ■

Management approach

Alliances and partnerships

CAE partners with over 50 academic institutions, research centres, laboratories and consortia worldwide, and also partners with technology accelerators and incubators. Through these partnerships, we develop pioneering technologies, access leading expertise and contribute to skills and talent development at CAE and in the broader innovation ecosystem.

Innovation and collaboration ecosystem

CAE upholds a legacy of creating and supporting major initiatives across our industry through a global collaborative ecosystem.

As an early member and longstanding collaborator, we contribute to the missions of the Consortium for Research and Innovation in Aerospace in Québec (CRIAQ), the Institute for Data Valorization; Initiative for Sustainable Aviation Technology; the Waterloo Institute for Sustainable Aeronautics; H2CanFly; Confiance IA; and others.

We also partner with the Centech, a world-class incubator dedicated to deep tech startups. Through this collaboration, we participate in Ax-C, an innovation ecosystem and collaboration space that unites top-tier incubators and innovation stakeholders. ►



IP portfolio

CAE prioritizes the protection of assets that differentiate our products and services, support strategic positioning in emerging markets, enable partnerships, and mitigate exposure to cybersecurity and litigation risks.

Our balanced IP management approach focuses on protecting IP assets that are critical to our technology roadmap and competitive positioning, while respecting the rights of third parties.

Software is a core component of CAE’s solutions, and the company manages these assets through a clear distinction between operational software components delivered to customers and underlying source code, which is retained and protected as a core strategic asset. This approach is applied consistently to ensure alignment with long-term strategy and risk management objectives.

As our IP portfolio evolves, we monitor innovations related to training and preparedness to ensure our IP strategy continues to drive value and enhances aviation safety and mission readiness. This includes leveraging advanced technologies such as extended reality technologies, biometrics, digital twins and haptic feedback. ■

Programs

Innovation framework

CAE’s structured framework pairs design thinking with rigorous, disciplined, risk-based assessment at each critical stage. Employees can submit ideas for new products, services and improvements through **CAEImagine**.

CAE Incubation provides the structure and support to transform disruptive ideas into viable products and solutions, with funding approval at each stage from – ideation to transition into business operations. Innovation and intellectual property contributions are recognized through the **CAE Inventors’ Circle**, which supports the continuous development of innovation and patent capabilities, recognizes employee contribution and supports the advancement of CAE’s technology roadmap.

Continuous learning and upskilling

CAE’s innovative and dynamic tech culture thrives, in part, on the continuous learning and upskilling opportunities available to employees.

Collaborative R&D projects enable our employees to work alongside leading researchers and stakeholders at the forefront of research and technology. These employees benefit from an enriching professional experience and make valuable contributions to CAE’s thought leadership.

Technical Career Track — This professional track serves as a dedicated career path for technical talent at CAE. It promotes the development of a broad range of skills to ensure CAE remains an innovative, competitive market leader. Participants engage with the wider R&D community at conferences and tech events, which regularly feature CAE leadership as speakers and panelists. ▶




CAE Tech Pulse — Tech Pulse strengthens our technology culture by uniting employees around innovation. The program connects teams worldwide, encourages experimentation and idea exchange, and highlights technical achievements. Initiatives are delivered through a combination of annual events and recurring touchpoints.

Annual events include the **Tech Star Forum**, a flagship initiative that recognizes individuals from across the organization for their demonstrated excellence. These “Technical Stars” gather at our Montréal headquarters for a week of collaboration, knowledge-sharing and best-practice cross-pollination activities.

The **Tech Fair** offers an immersive experience where teams showcase their work and innovations through interactive booths. The **Trends Workshop** focuses on emerging technologies and trends shaping CAE’s strategy and innovation roadmap.

Ongoing initiatives such as **Pulse Stories, internal panels, external speakers** and live **tech demos** highlight innovation and lifelong learning in action and keep teams continuously engaged, connected and aligned with CAE’s technology priorities.

CAEimagine intrapreneurship learning and coaching — This offering promotes intrapreneurship and leverages the coaches’ expertise and diverse backgrounds. ■

 **Policies** > [Intellectual Property Policy \(internal\)](#) > [Research and Development Investment Policy \(internal\)](#)

Our performance

Total net R&D expenditures

During FY26, CAE continued to prioritize high impact innovation, with a focus on training and simulation technologies, particularly AI and data-driven initiatives that support our long-term strategic transformation.

Consult our [FY26 Financial Report](#) for details.

Securing IP

Over the past year, CAE submitted 21 patent and industrial design applications and secured 33 registrations. These additions brought our total IP portfolio to 312 patent and industrial design registrations and 82 pending applications as of April 1, 2026. Our portfolio leads the industry with the greatest number of patented inventions in flight simulation and training, demonstrating CAE’s exceptional capacity to innovate and contribute to the larger ecosystem.

CAE’s intellectual property portfolio supports the evolution of training systems toward architectures that are more modular, digitally enabled and adaptable over time. The following examples illustrate how this capability is embedded in practice.

Aircraft cockpit training simulator and associated method

This patented invention introduces a modular architecture for simulated cockpits in which networked panels operate independently rather than through a centralized control system. By simplifying wiring, reducing dependence on centralized software and enabling flexible panel-level testing, this architecture shortens integration cycles, reduces lifecycle costs and supports scalable deployment across cockpit configurations.

Augmented reality hoist training system

This patented invention enhances hoist operator training through an electromechanical system that realistically simulates hoist dynamics while minimizing visible hardware. This approach delivers a more immersive augmented-reality training environment. ▶

A decades-long history of R&D and innovation

To see the milestones and industry recognition that define our leadership in simulation, modelling and training, visit the [History](#) and [Awards](#) pages on CAE.com.

Academic collaborations

CAE spearheads transformative innovation initiatives across several domains, supporting not only technological leadership but also broader training and education, societal and industry-wide outcomes. By partnering with leading universities and research institutions, CAE contributes to the advancement of skills, knowledge and applied research in areas critical to safety-critical training, operational resilience and the responsible adoption of emerging technologies.

This representative selection of projects highlights the innovation underway in our industries. These collaborations primarily operate at low technology readiness levels (TRLs). Their purpose is to strengthen CAE's internal expertise, expand our technology horizon and selectively pull advanced capabilities from academic and industry partners that CAE is uniquely positioned to integrate and leverage in novel ways for training and mission-ready solutions. While some of these early-stage initiatives are not immediately market-facing, they are intended to inform future innovation pathways by validating concepts, building critical knowledge and reducing uncertainty ahead of potential downstream investment and commercialization decisions.

Advancing data-driven simulation and optimization

Through collaborations with institutions such as École de Technologie supérieure, McGill University and École Polytechnique, CAE is advancing capabilities in flight test data analytics, simulation-centric testing and optimization. Projects such as MAIDAY (under CRIAQ and NSERC) and SimTest focus on accelerating data processing, improving validation workflows and strengthening regulatory readiness. Research outputs from these collaborations are already informing CAE product roadmaps and, in some cases, supporting operational deployment.

Accelerating immersive and human-centred training technologies

Partnerships with HEC Montréal's Tech3Lab, the Centre en imagerie numérique et médias interactifs, and other specialized research centres support CAE's work in extended reality, human-machine interaction, immersive learning environments, and the responsible adoption of virtual reality and next-generation interfaces. These collaborations shorten research cycles and help translate academic insights into practical innovations that enhance training effectiveness, user experience and learning outcomes in safety-critical contexts.

Enabling AI-driven decision support and learning

Through the CLIQ.ai research consortium, in collaboration with the Université de Montréal and Polytechnique Montréal, CAE is exploring how AI, language technologies and AI-enabled assistants can support instructors and learners in complex, safety-critical environments. These initiatives inform the development of decision-support tools and adaptive learning approaches that strengthen training quality and operational readiness.

Preparing for future operational environments

Collaborations with the University of New South Wales (Australia), RWTH Aachen University's - Institute of Flight System Dynamics, Obuda University (Hungary) and industry partners address emerging operational paradigms, including human-machine teaming, autonomous systems, next-generation Live-Virtual-Constructive (LVC) environments and the integration of new air mobility concepts into airport operations. Initiatives such as INTEGRAL-TX and LVC-RD validate concepts through digital twins and large-scale simulation, informing long-term innovation pathways and reinforcing CAE's role as a system integrator.

Together, these academic collaborations support disciplined innovation by translating advanced research into knowledge, capabilities and options that CAE is uniquely positioned to integrate into scalable, market-relevant solutions.

Industry partnerships

Confiance IA — This multi-sector consortium helps industries deploy responsible and reliable AI solutions through the co-development of non-competitive tools and methods. Members benefit from exclusive access to project deliverables. CAE's participation in Confiance IA strengthens our leadership and accelerates the responsible adoption of AI across our operations.

Project Éco-Envol — We continued to strengthen our Environmental Product Compliance strategy under Project Éco-Envol through the full deployment of tools supporting data collection, supplier engagement and reporting. These analyses enhance visibility into the chemical composition of components, identify hazardous or regulated substances, and enable consistent customer regulatory declarations and effective risk management. ►

Internal innovation activities and outcomes

Through CAEImagine, we initiated two open innovation challenges that generated 100 ideas and hosted three international hackathons, with outputs now moving into proof-of-concept or deployment. Within the CAE Incubation program, eight ideas were preselected, six are currently in the incubation process and two have transitioned from incubation to the core business.

CAE Project Resilience: advancing CAE’s training and simulation technologies

CAE’s Project Resilience, announced in 2021, led to the development of transformative technologies and partnerships to shape the future of pilot training and next-generation aviation, including digitally immersive solutions using data ecosystems and artificial intelligence for the aviation and defence sectors. The project allowed CAE to position itself as a leader in end-to-end technology and training solutions for Advanced Air Mobility (AAM), as well as develop low-emissions green aviation technologies.

Advances made over the project’s five-year timeline include the development of numerous proof-of concepts to enhance safety, mission readiness, efficiency and effectiveness across the different training domains and platforms. These include sustainable aviation technologies, together with digitally immersive and high-tech training and operational support solutions.

Key achievements include advancements in human-machine teaming technologies, personal immersive training and maturation of novel simulator platforms for AAM.

Building on the technologies and partnerships that resulted from Project Resilience, CAE is well positioned to maintain our competitive edge in our market. Looking ahead, CAE will continue to selectively invest in technologies and solutions that enable training and mission readiness for allies in the defence and security domains and enhance safety and security in all our markets. ■

R&D and innovation roadmap

Associated SDGs



| Key result | Target year | Status |
|---|-------------|---|
| <ul style="list-style-type: none"> › Sustain R&D investments to maintain CAE’s position as market leader in: <ul style="list-style-type: none"> – Aerospace and Defence sustainability – Use of advanced technologies to foster safety and readiness – Emerging markets such as AAM and space domain › Maintain and grow strategic collaborations with open innovation ecosystems › Reinforce CAE’s position as a thought leader and innovator, and contribute to addressing the challenges in the sectors in which we operate | Annual | <div style="display: flex; align-items: center;"> <div style="width: 15px; height: 15px; background-color: #0070C0; margin-right: 5px;"></div> On track </div> |

— ESRS S3

Education and community engagement

Why it matters

As *One CAE*, our mission to make the world a safer place extends to the communities in which we operate and that our employees call home. We believe our role as a business and employer includes contributing to inclusive and sustainable economic growth.

Through our involvement and investment in humanitarian aid and volunteer activities, education and career development programs, and scholarships, donations and sponsorships, we seek to make a positive impact as a neighbour of choice.

CAE partners with organizations whose programs and initiatives encourage the next generation to pursue aviation careers as STEM professionals, pilots, aircraft maintenance technicians or air traffic services personnel.

We also encourage and support our employees in their efforts, many of whom give their time, expertise and donations to make a meaningful difference around the world.

In the context of CAE’s transformation, education and community engagement also play a strategic role in strengthening the long-term talent availability, reinforcing critical skills required for execution, and supporting the evolution of our operating model across the aviation and defence sectors.



Governance

The CAE Charitable Donations and Sponsorships Policy guides our community and education philanthropic efforts and partnerships. This Policy delineates specific donation and sponsorship priorities, including supporting educational institutions, activities and programs that encourage young people to pursue STEM and aviation careers; advancing aviation safety and mission readiness initiatives; and supporting communities where CAE operates during natural disasters. It also supports organizations in line with our corporate mission focusing on Civil Aviation and Defense & Security as well as organizations that support those who serve, veterans and their families. Furthermore, it underscores our dedication to aligning donations with the needs of the communities where we operate.

The Board’s Governance Committee reviews and approves the Policy, convening biennially. Policy coordination and administration are the responsibility of the Senior Vice President (SVP), Communications, who oversees the strategy behind CAE’s contributions. The Committee provides the Board with a detailed report on annual charitable giving, broken down by sector, region and expenditure.

CAE’s Global Head of Collaboration and Government Programs, and Academic Partnerships manages our portfolio of academic collaborations, ensuring we deliver identified program benefits and sustainability objectives.

CAE’s Indigenous Community engagement and Skills development Subcommittee directs student awards and strategic investments toward STEM and aviation-related education. Their work furthers our commitment to form partnerships with Indigenous Peoples that drive industry-wide inclusion and build the workforce of tomorrow.

These governance mechanisms support disciplined prioritization of education and community investments that align with CAE’s long-term business needs, workforce planning and technology roadmap.

Management approach

Community

We prioritize working with local sites on causes that meet CAE's policy focus and support stakeholder engagement.

Centralized reporting under the SVP, Communications provides an aggregate view of CAE's global charitable investments. Paired with local financial management independent from corporate funding, this approach defines a unified strategy grounded in ethical practices.

CAEvolunteering program

We champion community involvement through CAEvolunteering, a program that encourages employees to actively engage in volunteer work for charitable organizations.

The program's three components, team volunteering, donation matching and employee recognition, reflect the essential role CAE employees play in shaping a better future for our communities.

- **Dollars for your cause** – Through Dollars for your cause, CAE recognizes employees for their community involvement by donating \$250 to the causes supported by employees who volunteer 50+ hours per year outside of work hours.
- **Team volunteering** – CAE Team volunteering allows employees to volunteer for a full day, in groups and during work hours, as a team-building activity to support their communities.
- **Volunteer of the year** – Each year, we request nominations for the CAE Volunteer of the Year awards and celebrate our employees' dedication to community service.

Education

We regularly assess our education initiatives with partners and collaborators. Through knowledge sharing with researchers, educators and industry players, we strive to maintain best practices and adapt our programs to the evolving needs in aviation, STEM learning and sustainability. Scholarships are awarded on a competitive basis by the appropriate faculty or foundation, in line with agreements between the academic institution and CAE.

CAE's involvement and the collaborations with non-profit organizations and academic institutions enhance the learning experiences of students as well as the lifelong learning experiences of CAE employees. Additionally, we encourage our employees to engage with non-profit boards and committees, furthering CAE's contribution to education and work-integrated learning (WIL).

Advancing global learning

As CAE evolves our operating model and technology roadmap, work-integrated learning and academic partnerships play a key role in developing early exposure to the skills, disciplines and ways of working required across our global operations.

Through both internal management and external partnerships, CAE promotes cooperative education and internship opportunities as part of our WIL activities. These programs integrate into students' curricula and offer hands-on experiences that enrich their academic journey.

CAEExplore – This global program offers internship opportunities to university and college students across diverse departments within our business units and corporate functions.

CAETech talent development program – Focused on next-gen talent, this program provides internships, scholarships and mentorship opportunities to college students pursuing programs in computer science and avionics studies at designated academic institutions.

CAE Immersion program – In collaboration with the Concordia Institute of Aerospace Design and Innovation, this program offers engineering students an enriching curriculum that complements their studies and includes valuable real-world work experience. The program focuses on 16 topics, including agile methodologies, design thinking and customer satisfaction. ▶



Canadian Industrial Leadership Award (CILA) – CAE collaborates with industrial partners to support CILA, which seeks to increase employment, development and advancement opportunities for Canadian women in STEM within the defence and security sectors. Through mentorship, internships, and more, the program invests in future leaders while promoting a diverse workforce.

CAE Innovation Challenges – Launched in FY26, this initiative brings together students and recent graduates across diverse disciplines, ranging from the first stages of higher education to doctoral levels, to contribute novel ideas in response to innovation challenges inspired by CAE’s strategic priorities and technology roadmap. Our inaugural edition bridged the gap between theory and practice, giving students experience in market research, literature reviews and design activities guided by real-life business constraints.

Driving innovation and collaboration

CAE works with multiple academic institutions and non-profit organizations that develop opportunities for the workforce of tomorrow, including the Canadian Mobility and Aerospace Institute and the Centre for Advanced Research and Training in Aviation, Mobility and Space. ■



Policies

- > [Charitable Donations and Sponsorships Policy](#)
- > [Employee Training and Development Policy \(internal\)](#)¹
- > [Research and Development Investment Policy \(internal\)](#)
- > [Inclusive Workplace and Equal Opportunities policy](#)
- > [Indigenous Relations Policy](#)



Shaping a future where education, technology and industry converge

CAE cultivates partnerships across our educational ecosystem, collaborating with over 50 academic partners and research centres worldwide. Our partnerships and innovative collaboration formats span the full educational spectrum: from postsecondary and doctoral studies to apprenticeships, adult education and workforce re-entry programs.

Together, we create impactful opportunities, shaping a future where education, technology and industry converge.

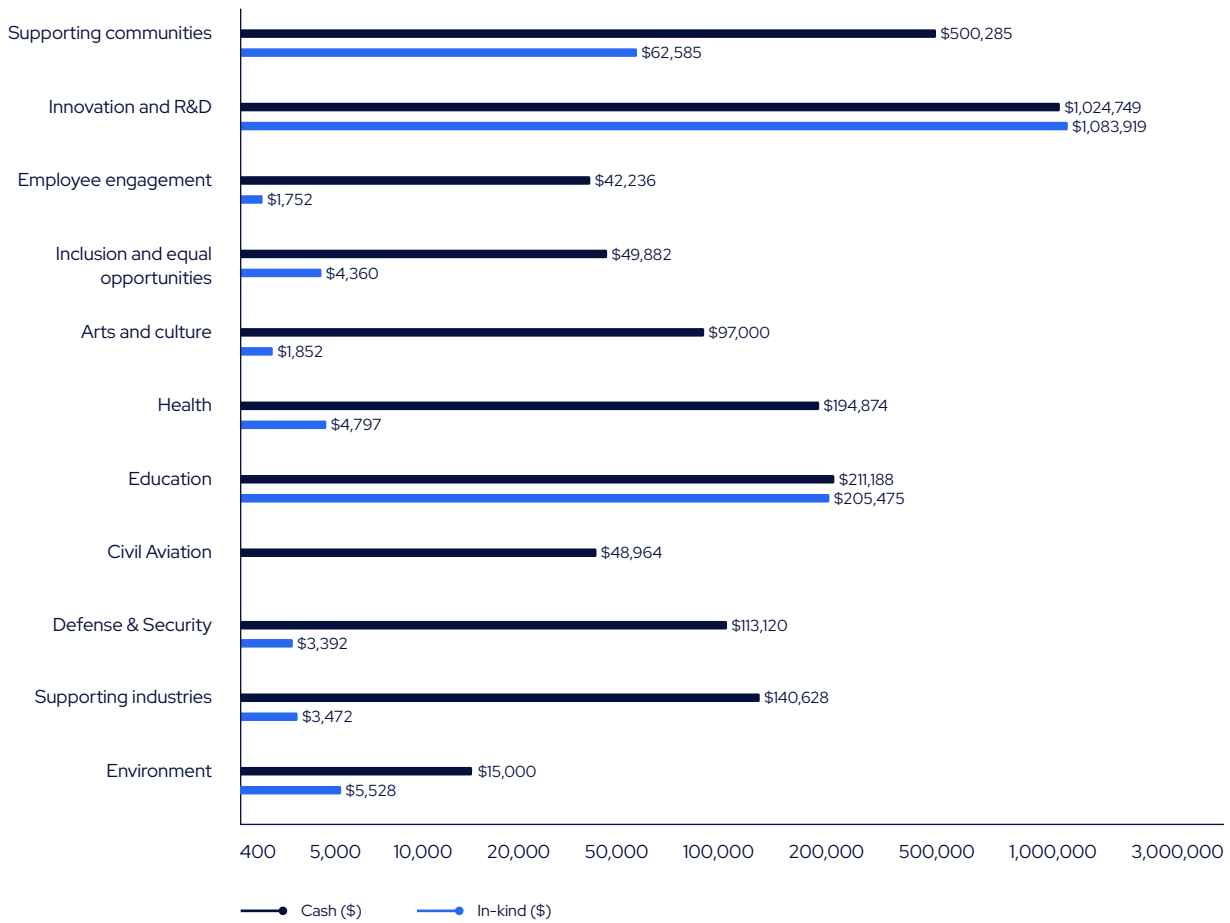
¹ Applicable in Canada.

Our performance

Community

Donations and sponsorships

In FY26, CAE donated \$3,815,058 (cash and in-kind donations) to local and regional initiatives worldwide. We maintained our support and commitment to CAE-Centraide (United Way), the Red Cross and other multi-year humanitarian causes.



Supporting local economies

The scope of CAE’s annual community investment and charitable donations includes local, national and international charities. Through our CAEvolunteering program, employees are empowered to give to, and be involved in, causes of their choice. The causes that benefit from their engagement and goodwill are wide-ranging and numerous. ▶

Community investment and charitable donations in FY26

| | |
|------------------------|--------------------|
| Cash donations | \$2,437,926 |
| In-kind donations | \$1,377,132 |
| Total donations | \$3,815,058 |

In FY26

- ▶ CAE and our employees supported close to **263 charities worldwide** through partnerships, donations and sponsorships.

Volunteer of the Year awards

The recipients awarded the CAE Volunteer of the Year made exceptional contributions. In this year's edition, these individuals collectively donated more than **1,600** hours to make a positive impact in the communities where we live, work and serve.



| | | | |
|--|---|--|------------------------------------|
| | <p>GOLD Kathy Maradin-Lo</p> | <p>SILVER Maria Maldonado</p> | <p>BRONZE Guy Havet</p> |
|--|---|--|------------------------------------|

A proud Corporate Angel Network for more than 10 years

As a Gold-level sponsor and long-time partner, CAE supports the non-profit organization Corporate Angel Network in its mission to make life-saving treatment more accessible to those who need it.

Honouring those who serve

CAE is committed to supporting veterans through various educational and community engagement initiatives. In 2026, we sponsored the Tampa Honor Ride and encouraged employee participation to honor and assist injured veterans and first responders. We also partner with SOF Transition Assistance Resource to help veterans transition into civilian corporate life.

In Canada, CAE sponsors True Patriot Love, a foundation aiding military members, veterans and their families, and is an Employer Partner of the Military Spousal Employment Network. CAE also supports the Veterans Transition Network, which ensures Quebec veterans can access French-language mental health and transition programs. CAE also champions Women in Defence and Security through national mentoring and events. We supported the premiere of Out Standing, an inspiring film celebrating women veterans, to raise vital funds for the group's expanded mission to empower this community during and after their transition from uniformed service.

CAE employees, partners and our union raise a record \$1.3 million for Centraide

CAE's 25th Centraide (United Way) campaign raised a record \$1.3 million, the seventh consecutive year that donations surpassed the million-dollar mark. These funds support a national network of organizations serving over 7.3 million people in 5,000 communities across Quebec and Canada. Cumulative contributions since 2000 now exceed \$19.5 million, reflecting sustained employee engagement and CAE's strong commitment to corporate social responsibility.

American Red Cross Partnership for Texas flood recovery

As part of our commitment to supporting communities in times of crisis, CAE contributed to relief efforts following the devastating floods in Texas by donating \$15,000 to the American Red Cross. CAE also encouraged employee engagement by matching individual donations made to the American Red Cross and the Kerr County Flood Relief Fund, strengthening the collective impact of the Texas flooding campaign.

Supporting the Mohawk Cultural and Arts Centre in Kahnawà:ke

CAE made a contribution to the Kanien'kehá:ka Onkwawén:na Raotitióhkwa Language and Cultural Center to support the community's ongoing efforts to preserve and promote Kanien'kéha language, culture, and heritage, including a growing language school, a dedicated museum space for cultural artifacts, and community arts initiatives. ▶

INDIGENOUS PEOPLES

CAE's commitment to Reconciliation

Aligned with our commitment to cultivating long-term and meaningful relationships with Indigenous communities in Canada and worldwide, CAE has taken steady steps forward over the past two years.

PAIR certification

CAE has committed to the Partnership Accreditation in Indigenous Relations (PAIR)¹ Program, a rigorous, independent third-party framework for corporate performance in Indigenous relations overseen by the Canadian Council for Indigenous Business. This program evaluates corporate performance in Indigenous relations through structured, externally validated criteria.

In FY26, CAE successfully completed PAIR Committed Phase 2. We are now progressing through Phase 3, continuing to strengthen our practices and deepen our commitment to Indigenous reconciliation.

To advance progress across PAIR's four performance pillars – Leadership; Community relationships and skills development; Employment; and Economic empowerment – CAE integrates guidance from our Indigenous Advisory Board and the FIRE Indigenous Employee Resource Group (ERG).

We are progressing towards these four pillars with the following achievements:

Leadership – CAE advances Indigenous Relations through cultural awareness training, strategic planning integration, and strong governance supported by a cross-functional committee focused on long-term engagement. In FY26, we delivered two specific Indigenous awareness training sessions to team members: one for Human Resources and FIRE members, and another for Global Procurement and Supply Management teams on economic reconciliation.

Community relationships and skills development – CAE provided both financial and in-kind support to initiatives that strengthen connections with Indigenous communities, with a focus on supporting local initiatives and contributing to lasting foundations for Indigenous youth training and success. In FY26, 10 scholarships were awarded through the Indspire program. Over the fiscal year, CAE also contributed donations to First Nations Technical Institute, Datsa Dynamics and Algonquin College DARE6 Program among others.

Employment – CAE commits to building a culturally safe and supportive workplace for Indigenous employees by enhancing belonging, cultural safety, and professional growth initiatives, and by regularly monitoring the effectiveness of our programs. In FY26, we developed an Indigenous Employee Value Proposition.

Economic empowerment – CAE advances economic empowerment by building long-term partnerships with Indigenous-owned businesses and integrating Indigenous procurement into our supply chain, reflecting our commitment to shared economic growth. These include Pro Metal Industries Ltd., LaFlesche, and Terminal & Cable – partnerships that strengthen our commitment to economic reconciliation while supporting our supply chain and Indigenous entrepreneurship, including through capacity building. ▶



¹ PAIR Committed participation indicates our commitment to continual improvement in Indigenous relations and intention to undergo external verification of our performance in the future.

Indigenous Advisory Board

CAE's Indigenous Advisory Board serves as a sounding board that helps guide our reconciliation efforts. The Advisory Board provides insight on key topics where cultural perspective and community-based guidance are needed.

CAE maintains regular engagement with the Advisory Board through an annual on-site gathering, biannual virtual meetings and ongoing ad hoc conversations to seek input on initiatives, priorities and opportunities for Indigenous participation.

Indigenous Relations Policy

CAE's Indigenous Relations Policy provides a consistent, organization-wide approach to how we engage with Indigenous Peoples. The Policy outlines our commitments to Indigenous communities, businesses, and individuals, and clarifies the behaviours and actions expected from all CAE employees, leaders, and suppliers as we plan, prepare, and conduct our work.

Leadership Statement on Indigenous Relations

In alignment with the Policy's commitment and guiding principles, CAE's Leadership Statement on Indigenous Relations reinforces accountability for integrating reconciliation across the organization. It provides a framework to guide, measure, and strengthen our progress across PAIR's four pillars.

FIRE Employee Resource Group

FIRE- First Peoples Inclusion & Reconciliation- is CAE's Indigenous ERG, created to strengthen relationships with Indigenous Peoples and advance reconciliation across the company. The name FIRE reflects creation, life, and renewal, symbolizing our commitment to supporting meaningful engagement with Indigenous communities.

FIRE raises awareness of Indigenous histories, knowledge, and cultures, while advancing two priorities at CAE:

- supporting the hiring, retention, and development of Indigenous employees; and
- strengthening relationships with Indigenous businesses and communities.

The group is open to all employees and helps create opportunities for CAE to connect with Indigenous communities around the world, fostering dialogue, learning, and collaboration. Through its activities, FIRE contributes to deeper understanding within CAE and supports the organization's long-term reconciliation journey.

Education

Scholarships and awards

Either directly or through endowments, CAE has contributed more than **\$600,000** in scholarships globally over the past three years to support perseverance and academic excellence in disciplines most relevant to our organization.

In FY26, CAE offered **563** cooperative mandates and internships to students worldwide. These opportunities included mandates under various programs, including CAExplore, CAETech, CAE Immersion and CILA. Apprenticeships and short internships for students in manufacturing and unionized roles as well as micro work-integrated learning opportunities were also available.

At CAE, we believe in the power of community engagement and the importance of fostering the next generation of innovators.

Taken together, these education and community initiatives contribute to building a resilient, future-ready talent network at a time when the aviation and defence sectors face sustained skills shortages and increasing execution complexity. ▶

In FY26

51¹

Scholarships and awards

563²

Internships

¹ Coverage: scholarships with academic institutions and with Indigenous entities.

² Includes cooperative mandates, internships, apprenticeships, short internships and micro work-integrated learning opportunities for students worldwide, including manufacturing and unionized roles.

CAE Women in Flight: Encouraging young girls and women to dream big with no limits

Under the Air Canada and CAE Captain Judy Cameron Scholarship, up to eight Canadian women studying to become commercial pilots or aircraft maintenance engineers receive funding to pursue their training. In the context of a persistent global aviation talent shortage, expanding access to the full available talent pool is a critical operational priority; the Women in Flight program directly supports this objective by helping attract, develop and retain future aviation professionals.

Of the 2026 recipients, four aspiring commercial pilots will join the CAE Women in Flight program as ambassadors. They will play a key role in encouraging more women to pursue careers in aviation, promoting diversity in aviation and inspiring other women to follow in their footsteps.

Established in honour of Air Canada's first female pilot, these annual scholarships are awarded in conjunction with the Northern Lights Aero Foundation.

This scholarship is part of our broader CAE Women in Flight program, which enables collaboration with different aviation partners to offer a variety of scholarships that support training programs. Women in Flight Ambassadors gain valuable networking opportunities and connect with leaders across the industry, serving as role models for women aspiring to become pilots. ▶

▶ [Read the press release](#)

Inspiring youth at FIRST Robotics Festivals

CAE has supported FIRST Robotics Quebec as a key strategic sponsor and experiential partner since the organization's initial festival in 2012.

During the FIRST Robotics Festival at l'Université de Sherbrooke, our team of employee volunteers showcased the CAE Personal Immersive Trainer as students took turns testing their skills on the full-flight simulator.

More than 80 teams and nearly 1,000 participants took part in the Lego Explore (ages 6 to 10) and Lego Challenge (ages 9 to 14) competitions, combining imagination with the rigours of science and technology. For both divisions, the aim was to use robotics to showcase creative passions and encourage an interest in engineering.

Empowering the next generation of women engineers

The Women in Engineering & IT (WiE&IT) Program at Carleton University, an initiative led by the Faculty of Engineering and Design, supports the recruitment, retention and advancement of women in engineering and IT through mentorship, networking and professional development. Launched in 2021, the program aims to reduce the gender gap in STEM and cultivate a more diverse, inclusive and future-ready engineering workforce.

As a five-year sponsor and WiE&IT industry partner, CAE supported multiple activities that connected our employees with more than 450 students through mentorship activities, career fairs and on-site visits that offered exposure to engineering and technology careers. Through this involvement, we seek to strengthen the STEM talent pipeline by inspiring and developing the next generation of women engineers.

CAE's engagement with Air Cadets

CAE is proud to support the development of young aviation enthusiasts through our collaboration with the Air Cadet League of Canada and the U.S., which promotes and encourages youth ages 12 to 18 to develop an interest in aviation, leadership and citizenship. ■





Associated SDGs



Education and community engagement roadmap

| Key result | Target year | Status |
|---|-------------|--|
| <ul style="list-style-type: none"> > Support, on average, 10 student-led societies, technical clubs, hackathons or case competitions through financial and/or in-kind contributions > Dedicate at least 30% of scholarships and education-related sponsorships to promote diverse and inclusive representation of students > Collaborate, on average, with 50 post-secondary institutions and research centres globally | Annual | <div style="display: flex; align-items: center; gap: 10px;"> On track </div> |
| <ul style="list-style-type: none"> > Assess options to increase targeted donations and sponsorships to rising causes outside North America | FY26 | <div style="display: flex; align-items: center; gap: 10px;"> Postponed </div> |
| <ul style="list-style-type: none"> > Create 100 new scholarship positions | | <div style="display: flex; align-items: center; gap: 10px;"> Achieved </div> |

Governance



— ESRS G1

Corporate governance

Why it matters

CAE conducts business ethically and transparently, in accordance with the principles of our Code of Business Conduct and Corporate Policies and Procedures.

We regard our commitment to accountability as fundamental to the expectations of our shareholders and to our long-term success. Our corporate governance continues to evolve to address growth opportunities, meet our commitments and keep pace with leading practices in governance.

Governance

Board of Directors

Composition

Thirteen Directors, 11 of whom are independent, are responsible for the stewardship of CAE, monitoring management actions, and providing overall guidance and direction. The Board builds long-term value for CAE's shareholders and ensures the continuity and vitality of our Civil Aviation and D&S businesses.

This is achieved by setting policies for the company, overseeing strategic planning, managing risks, monitoring the company's performance and appointing CAE's President and Chief Executive Officer (CEO). The Board also provides senior management with appropriate advice. Each year, after a performance evaluation, the Board approves, with the recommendation of the Human Resources Committee, the CEO's compensation. ▶

Board members possess knowledge of markets and industries relevant to CAE, with specific expertise and skills spanning various areas. These areas include:

- Knowledge of industry
- Strategic leadership and management
- Finance and accounting
- Human resources and compensation
- Government relations
- R&D
- Legal and governance
- Information technology, cybersecurity and digital
- Sustainability
- Risk management
- International markets
- Capital markets and M&As
- Manufacturing and supply chain

See the Board Attributes matrix in our [FY26 Management Proxy Circular](#) to learn about the Directors’ skills and experiences.

CAE’s corporate governance structure separates the roles of Executive Chairman and CEO to clearly delineate board-level leadership and oversight from senior leadership and strategic execution of the business. The CEO reports to the Board and serves as a Director. To ensure the Board functions independently of management, the Board-appointed Lead Independent Director serves as the principal liaison between the independent Directors and management.

The independent Directors convene separately from the CEO and the Executive Chairman in sessions at each Board and Committee meeting. This governance framework instills rigorous independent oversight and robust accountability mechanisms necessary to safeguard stakeholder interests and drive long-term value.

Selection and terms

The Board, through its Governance Committee, develops a process to determine the competencies, skills and personal qualities required for new Directors. The Committee considers opportunities and risks facing the company and how to add value to CAE while ensuring the majority of the Board’s Directors are independent. Pursuant to its mandate, the Committee identifies and recruits qualified potential Board members. These candidates are recommended to the Board as nominees for election at CAE’s Annual General Meeting.

The Board ensures adherence to the term limits imposed on all Directors and considers criteria that promote inclusiveness, including, but not limited to, gender, international background, nationality, age and industry knowledge, as per CAE’s [Board and Executive Management Composition Policy](#).

Committees

Four Board Committees oversee various aspects of CAE’s corporate governance. These Committees consist entirely of independent Directors. Member appointments are made by the Board following a thorough review of Committee membership requirements.

Charters for the Board’s [Audit Committee](#), [Governance Committee](#), [Human Resources Committee](#) and [Technology Committee](#) serve as guiding documents, outlining roles, responsibilities and governance procedures. Committee Charters are approved by the Board and overseen by the Chief Legal Officer, with input from subject matter experts within CAE’s management team. ▶



Performance reviews

The Governance Committee reviews the effectiveness of the Board and its Committees annually. The Committee also reviews specific matters of corporate governance and makes recommendations to the Board, such as the effectiveness of corporate governance at CAE with respect to the discharge of CAE’s obligations to our shareholders, customers and employees, other stakeholders and the public.

For further information on the role of the Board and its Committees, refer to both our [FY26 Management Proxy Circular](#) and our website for a detailed view of [CAE’s corporate governance practices](#).

Sustainability governance

CAE’s governance framework includes oversight and strategic direction regarding sustainability initiatives, with regular updates (three times per year), roadmap approvals and strategic guidance provided by the Board and its Committees. This governance ensures that these considerations are integrated into the company’s decision-making and long-term strategy. In addition, the Audit Committee focuses on regulatory sustainability reporting.

For a detailed view of CAE’s sustainability governance structure – including additional information on the mandate of each Board Committee, see [Sustainability governance](#). ■

Management approach

Our Code of Business Conduct establishes guidelines for appropriate conduct that apply to CAE as an organization, to our employees and those working on behalf of CAE, and to our Board. Our Conflicts of Interest Policy specifically addresses responsibilities regarding conflicts of interest, ensuring transparency and integrity in decision-making processes.

Additionally, the Board adopted [Corporate Governance Guidelines](#) to assist in the exercise of its responsibilities. These are periodically reviewed by the Governance Committee.

Orientation and continuing education

New Directors undergo orientation with leadership, which includes discussions on CAE’s expectations of Directors and our business and strategic plans. New Directors also receive comprehensive training on corporate and Board policies, along with reference materials and executive briefings.

CAE leadership and the Governance Committee update Directors on governance developments, trends and new legal requirements. Management also provides regular, in-depth reviews of business segment performance, issues relevant to our business and industry developments. These sessions can include updates on governance, competition, fiduciary duties, legal and regulatory changes, technology and other educational topics.

Directors receive updates three times a year on health and safety (including aviation safety), sustainability matters (including climate change) and compliance matters. They also participate in site visits and industry events, which provide them with firsthand insights into our operations and competitive landscape.



Policies

> [Board and Executive Management Composition Policy](#)

> [Conflicts of Interest Policy \(internal\)](#)

> [Corporate Governance Guidelines](#)

Our performance¹

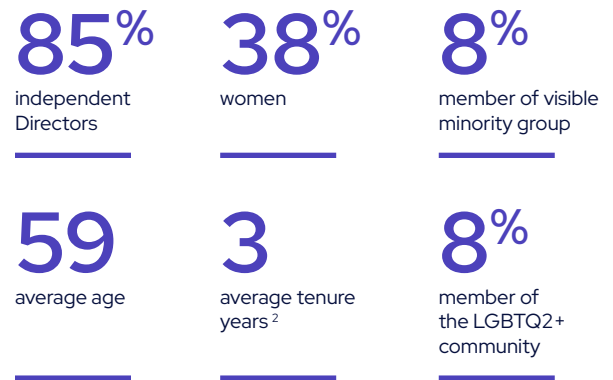
Changes to the CAE Board of Directors

In FY26, we announced the appointment of Matthew Bromberg as CAE’s new President and CEO, Calin Rovinescu as Executive Chairman of the Board and Sophie Brochu as Lead Independent Director. These appointments reflect the company’s dedication to strengthening our leadership team to meet the evolving needs of our customers and stakeholders. In their respective roles, they will help guide our strategic priorities, expand our global reach and drive sustainable growth.

New Board Technology Committee

The Board of Directors approved the creation of a new Technology Committee to strengthen oversight of CAE’s technology and data strategy. The Committee reviews emerging technology trends, including artificial intelligence (AI), and assesses major associated risks. The Committee also oversees CAE’s Cybersecurity Program to ensure robust protection in an evolving digital landscape.

Board profile



In FY26

- Board presentations featured organizational developments and enhancements in AI, cybersecurity, aviation safety, and health and safety. CAE’s Employee Value Proposition remained a continuous thread in strategic discussions related to our dynamic people-focused culture.
- Governance Committee internal briefings included deep dives into sustainability market and regulatory trends. They also received updates on the progress of CAE’s roadmap including decarbonization and engagement with Indigenous communities.
- Both the Governance and the Audit Committees briefings focused on mandatory sustainability reporting obligations applicable to CAE and our subsidiaries. The review included California climate disclosure laws; the Corporate Sustainability Reporting Directive, as updated through the 2025 Omnibus I simplification package; and the results of CAE’s double materiality assessment, conducted in accordance with the ESRS.

Corporate governance roadmap

Please refer to our [FY26 Management Proxy Circular](#).

¹ Certain data is reported in accordance with our obligations under applicable Canadian laws.
² For non-executive Directors.

— ESRS G1

Business ethics

Why it matters

Ethics build trust, goodwill and long-term resilience, and are central to how we do business. Our success rises and falls with our ability to consistently meet the highest standards of ethical behaviour, which is why we include integrity among our core values.

We are committed to conducting business with integrity, transparency and in full compliance with applicable laws and regulations. Just as CAE stakeholders trust our organization to do the right thing, we expect the same from our employees, business partners and suppliers. The world is complex, but the values and principles we uphold are straightforward.

Governance

CAE's corporate governance is rooted in the principle that ethical practices lead to the creation and preservation of company value. Our ethics and compliance programs, together with our sustainability program, build integrity and accountability into policies and practices for CAE and our wholly owned and controlled subsidiaries and joint ventures. These programs, for which the Board of Directors' Governance Committee has oversight responsibility, establish standards of conduct and compliance measures.

The Board of Directors' Governance Committee reviews the design of our Code of Business Conduct and ensures that the Code and other compliance policies are implemented throughout CAE. The Committee also receives regular reports on our ethics, compliance and sustainability programs, including a summary of trends, market signals, policy exceptions and alleged Code violations. When allegations involve potential financial misconduct, books and record keeping, fraud or similar financial impropriety, the Board of Directors' Audit Committee is also informed.

As leaders setting the tone for our organization, the President and Chief Executive Officer, Division Presidents and all levels of management are responsible for promoting CAE values and ensuring adherence to our Code of Business Conduct and compliance policies.



The Global Ethics and Compliance Office oversees CAE's Ethics and Anti-Corruption program. Its responsibilities include the development, implementation and monitoring of policies and initiatives related to business ethics, anti-corruption and conflicts of interest.

The Export Control department oversees our Export Control program. Responsibilities include the development, implementation and monitoring of policies and initiatives related to international import, export control and economic sanction requirements.

The Ethics and Compliance and Export Control teams maintain close, regular contact with each other and with internal stakeholders to ensure coordination of cross-functional initiatives and to communicate updates on external developments (emerging best practices, changes in accountability, legislation or regulations).

Management approach

CAE Code of Business Conduct

Our Code of Business Conduct (Code) and compliance policies act as a compass for doing business and for our values. The Code provides employees with clear standards, helpful examples and information on where to find guidance on ethical decision-making or to raise concerns – including the CAE Ethics Helpline website and global call centre, which allow for anonymous reporting of policy violations.

Reports of unethical behaviour are taken seriously, as CAE considers any breach of the Code a threat to our culture and operations with potential financial repercussions. All reported activities of concern are assessed and, if necessary, thoroughly investigated.

The Code applies to all CAE's Directors, officers and employees, as well as any third party acting on CAE's behalf. Directors, officers and employees are required annually to acknowledge and commit to our Code of Business Conduct. They are also obligated to disclose any actual, potential or perceived conflicts of interest that may compromise their responsibilities at CAE. Employees receive mandatory Code training upon hire and annually thereafter.

We maintain individual policies to address specific risks such as bribery, corruption, export controls and human rights. These policies undergo regular review to align with industry standards.

Ethical supplier relationships

Our Supplier and Business Partner Code of Conduct aligns with the International Forum on Business Ethical Conduct and sets clear expectations for ethical behaviour and legal standards compliance among our suppliers and business partners. We also expect every CAE supplier and business partner to uphold these principles throughout their supply chain. Our commitment to ethical sourcing is also covered in the [Human rights](#) and [Responsible supply chain management](#) sections.

Anti-Corruption

CAE enforces a zero-tolerance policy for bribery and corruption of any kind and maintains strict measures to prevent, detect and address risk. We prioritize the following internal controls and procedures to identify, evaluate and mitigate bribery risks:

- Conduct risk-based due diligence on business partners.
- Provide anti-corruption training and certification.
- Incorporate anti-corruption clauses in agreements (including audit right provisions).
- Ensure proper documentation and approval for third-party payments.
- Monitor the exchange of business courtesies.

All employees receive general anti-corruption education as part of their annual Code of Business Conduct training. Those in designated high-risk roles undergo targeted anti-corruption instruction that delineates our expectations, core principles and zero tolerance for any corrupt practices. This ensures understanding and compliance with applicable legislation, including Canada's Corruption of Foreign Public Officials Act, the U.S. Foreign Corrupt Practices Act and the U.K. Bribery Act. ►



Export compliance

As a critical component of CAE’s legal, compliance and risk management structure, our Export Controls and Sanctions programs ensure CAE’s business activities are conducted in compliance with applicable export control and sanctions regulations, all of which are embedded into our corporate business processes.

The efficiency of our processes is bolstered by Export Controls training, which includes 11 department-specific modules that provide comprehensive training on U.S. export control and sanctions regulations, and local export control regulations. All new employees are assigned to a learning module based on their job responsibilities.

Sales teams receive additional training on CAE’s screening processes and, upon completion, are appointed Empowered Employees. In this role, they manage sanctions screening at CAE sites and screen all potential customers prior to signature of sales contracts.

Reporting an ethics breach

CAE is committed to developing a “Speak Up” culture where employees and other individuals or corporate entities feel comfortable reporting what they perceive as a breach of the law or our Code. Reports can be submitted securely and confidentially via the CAE Ethics Helpline website and global call centre, which offer 24–7 support and service.

As per our Internal Reporting/Whistleblowing Policy, all reported activities of concern are assessed to determine whether an investigation is required. If so, we conduct a thorough investigation.

Teams within our Human Resources (HR), Ethics and Compliance and Legal organizations are assigned to investigate alleged violations and provide updates and case resolutions, as appropriate, to reporters of activities of concern.

Reports concerning business compliance allegations are automatically forwarded to a representative of the Global Ethics and Compliance Office, a Legal team member or the Chief Legal Officer, depending on the nature of the case. Reports related to people matter allegations are automatically transferred to an HR Business Partner, HR team member or the Chief People and Sustainability Officer. Reports under both classifications may also be forwarded to other authorized personnel tasked with ethics oversight or investigative review.

CAE consistently reinforces to all employees that retaliation is strictly prohibited against anyone who, in good faith, submits a complaint or cooperates with an investigation. Anyone engaging in retaliation is subject to disciplinary measures, up to and including termination of employment. We stress this message and the importance of a “Speak Up” culture in our annual Code training. ■



Policies

- › [Anti-Corruption Policy](#)
- › [Business Courtesies Policy](#)
- › [Business Partner Policy \(internal\)](#)
- › [Charitable Donations and Sponsorships Policy](#)
- › [Code of Business Conduct](#)
- › [Conflicts of Interest Policy \(internal\)](#)
- › [Global Export Compliance Guidelines \(internal\)](#)
- › [Insider Trading Policy](#)
- › [Internal Reporting/Whistleblowing Policy](#)
- › [Know Your Customer procedure \(internal\)](#)
- › [Lobbying and Political Contributions Policy](#)
- › [Screening Procedure Against Sanctions Programs \(internal\)](#)
- › [Supplier and Business Partner Code of Conduct](#)

Our performance

Strengthening ethical standards

In FY26, we updated our Code of Business Conduct in accordance with our regular policy review cycle and our ethics and compliance training retained near-universal coverage.

| Metric | FY26 | FY25 | FY24 |
|--|------|------|------|
| Code of Business Conduct acknowledgment rate (%)* | 99% | 97% | 99% |
| Mandatory ethics and compliance training completion rate (%) | | 97% | 94% |

* Those who did not complete the formal acknowledgment process (including employees on furlough, secondment, parental leave, sick leave or other long-term absence) are required to do so in due course, or upon their return to work in cases of absence.

Reports and inquiries summary

In FY26, we received a total of 119¹ ethics reports and inquiries via the independent CAE Ethics Helpline resources and multiple internal channels. These reports originated from diverse geographical regions, with contributions from Europe (13%), Canada (20%), the U.S. (44%) and other regions (23%). Notably, 26% were submitted anonymously.

| Type of concerns | FY26 | FY25 | FY24 | |
|---|------------|-----------|--|-----------|
| Business compliance allegations | 49 | 14 | For FY24 data, please refer to our FY24 Global Annual Activity and Sustainability Report . | |
| Breach of confidentiality and privacy | 4 | 2 | | |
| Bribes, improper payments and business integrity | 3 | 0 | | |
| Business courtesies | 1 | 0 | | |
| Conflicts of interest | 4 | 4 | | |
| Environment | 0 | 0 | | |
| Export controls and economic sanctions | 0 | 0 | | |
| Fraud and deception (including accounting or financial reporting) | 5 | 4 | | |
| Health and safety (including aviation safety) | 6 | 1 | | |
| Human rights | 0 | 0 | | |
| Insider trading | 0 | 0 | | |
| Intellectual property infringement | 0 | 0 | | |
| Other | 18 | 1 | | |
| Physical security and cybersecurity | 0 | 0 | | |
| Procurement | 3 | 1 | | |
| Product quality and safety | 0 | 0 | | |
| Retaliation | 3 | 1 | | |
| Unfair competition | 0 | 0 | | |
| Working with governments | 2 | 0 | | |
| People matter allegations | 70 | 13 | | |
| Breach of HR policies and procedures | 15 | 2 | | |
| Equal opportunity and discrimination | 6 | 0 | | |
| Harassment and bullying | 43 | 11 | | |
| Sexual harassment | 6 | 0 | | |
| Total | 119 | 27 | | 32 |

¹ In FY26, to ensure complete and transparent reporting, we expanded our tracking to include all investigations and reports, not only those submitted through EthicsPoint but also those raised via local channels. The resulting increase in reported complaints is primarily attributable to this change. As this is the first year of this more comprehensive tracking, these figures are not considered indicative of a material increase in underlying concerns, particularly as all cases were reviewed and investigated in accordance with established processes and appropriate actions were taken in substantiated matters. This enhanced tracking also provides a stronger baseline for future monitoring, trend analysis and mitigation action targeting.



Business ethics roadmap

Associated SDG



| Key results | Target year | Status |
|---|---------------|---|
| <ul style="list-style-type: none"> › Review Code of Business Conduct › Assess Code of Business Conduct training › Continuously improve capabilities to detect and remediate policy exceptions and any non-compliance across the organization › Strengthen CAE’s Speak Up culture, with respect to our Internal Reporting/Whistleblowing Policy and process › Maintain training and enforcement of CAE policies related to business partners, contractors and suppliers | <p>Annual</p> | <p>■ On track</p> |

— ESRS S1 / ESRS S4 / ESRS G1

Data privacy and cybersecurity

Why it matters

Protecting the data entrusted to us is essential to maintaining the confidence of CAE customers, employees, partners, and regulators.

In today's rapidly evolving digital landscape, the protection of personal data and the security of our digital ecosystem have become inseparable priorities.

Our organization must navigate an increasingly complex landscape of data privacy and cybersecurity requirements and evolving cyber threats, from ransomware attacks and intellectual property theft to emerging risks driven by artificial intelligence (AI) and other frontier technologies.

By embedding strong data privacy and cybersecurity practices, rigorous security controls and continuous vigilance across our global operations, our aim is to protect all data in our custody, strengthen the resilience of our digital value chain and uphold the trust placed in CAE's products, services and technologies.

As CAE modernizes our operations, simplifies workflows and adopts advanced digital and AI-enabled tools, strong data privacy and cybersecurity practices are essential to executing our transformation with discipline, risk resilience and trust.



Governance

CAE's cascading governance structure ensures strong oversight of, and accountability for, data privacy and cybersecurity. The Board of Directors provides strategic oversight through three advisory bodies with distinct, complementary mandates.

The Board's Governance Committee oversees CAE's broader compliance landscape, including the Global Data Privacy Program. The Technology Committee oversees the Cybersecurity Program and reviews the technical integrity and security of CAE's data systems, focusing on cyber resilience, third-party technology risks and the technical deployment of AI. It also conducts annual deep dives into enterprise-wide data privacy and cyber risk assessments. The Audit Committee addresses information technology, AI and cybersecurity matters that impact controls, integrity of financial data and public disclosure. Each Committee reports regularly to the Board.

CAE's Global Data Privacy Policy outlines the principles for fair and ethical handling of personal data across all stakeholder interactions and is supported by related guidelines and operational procedures. Policy administration is the responsibility of the Global Leader, Ethics, Compliance and Privacy, who reports to the Chief Legal Officer.

The Chief Information Officer guides emerging technology and digitalization initiatives that may influence CAE's risk posture, while the Chief Information Security Officer oversees CAE's Global Information Security strategy, policies and controls.

CAE's Data and AI Committee, through its AI Task Force, continues to operationalize the Responsible Artificial Intelligence Policy and related processes. This further strengthens governance over emerging technologies and supports the consistent application of associated guidelines and core principles.

Internal Audit performs independent assessments of selected components of CAE's Global Data Privacy and Cybersecurity Programs. In FY26 Internal Audit conducted its first independent review of the Responsible Artificial Intelligence Policy and associated processes, informed by the requirements of the EU AI Act and other recognized standards. All findings are reported to the Audit Committee and Executive Management Committee to support transparency and continuous improvement.

Management approach

Our responsibilities toward data privacy and cybersecurity are increasingly central to CAE’s operations and culture. By embedding privacy and cybersecurity considerations into every stage of the product lifecycle, we ensure data remains protected at every touchpoint. This approach supports CAE’s transformation by reducing friction, enabling faster and more confident decision-making, while ensuring that modernized processes, digital tools and AI-enabled solutions are secure and trusted from the start.

To support this, our global data privacy and cybersecurity frameworks align with leading standards, including the ISO/IEC 27001 and the NIST Privacy and Cybersecurity Frameworks. We apply a “privacy and security by design” philosophy to ensure that new systems, services and technologies incorporate protective measures from the outset.

Supported by our Legal and Cybersecurity teams, the CAE Privacy Office monitors regulatory changes, keeps operational practices current and regularly conducts audits to verify the effectiveness of our Global Data Privacy Program. To ensure responsible handling of personal data, we conduct privacy impact assessments for new initiatives and maintain a robust third-party risk assessment process for partners handling data.

Our Cybersecurity Program prioritizes early threat detection, proactive defence and rapid response, supported by integrated IT operations and centralized reporting channels. Security is embedded into CAE products and services through secure-by-design and secure-by-default principles. We manage these commitments through a multi-layered cybersecurity strategy designed to safeguard our information systems from current and emerging threats.

Through continuous improvement, CAE’s Cybersecurity Program addresses the increasing complexity of the global regulatory landscape. By aligning our processes and policies with international standards and pivotal frameworks, such as the Cybersecurity Maturity Model Certification (CMMC), we effectively manage compliance requirements and security risks inherent in emerging technologies and cross-border data flows.

We reinforce these programs through mandatory annual training, targeted awareness campaigns and role-specific education to ensure employees understand their responsibilities in protecting personal information and maintaining a culture of cyber vigilance and operational resilience.

Responsible AI Policy

CAE’s responsible approach to data privacy and cybersecurity is reinforced by our Responsible Artificial Intelligence Policy, which establishes clear principles for the secure, ethical and controlled use of AI technologies. The Policy requires the protection of confidential, sensitive and personal information when using AI systems, and aligns AI use with CAE’s Global Data Privacy Policy and cybersecurity policies and procedures.

The Policy further requires AI systems to be developed and used in a human-centric and bias-free manner, with transparency and explainability appropriate to risk, and with accountability for AI-enabled outcomes remaining with CAE.

Clear boundaries are defined for acceptable AI use, including explicit prohibitions on high-risk or unacceptable AI practices aligned with emerging regulatory frameworks. Human oversight is maintained for critical and high-impact decisions, ensuring that AI supports, rather than replaces, human judgment.

The Policy also incorporates sustainability considerations, promoting responsible and energy-efficient AI deployment.

These principles are implemented through defined governance and executive oversight, and complemented by CAE’s cybersecurity controls and risk management processes to safeguard data, systems and trust across the AI lifecycle. ►

Responsible AI: CAE's guiding principles



Safety first

We ensure that our AI systems are safe and reliable before making them available to our employees, customers or other individuals. Where applicable, testing procedures must provide assurance that AI systems operate consistently for their intended use. Even after the testing and deployment phases, no AI system should be made available to any person if it can cause unintended harm or negative consequences.



Transparency and explainability

Our goal is to build trust with our stakeholders. Therefore, AI systems must be traceable, explainable, and transparent, especially when they can generate content that is human-like.



Cybersecurity, data protection and privacy

We process data in compliance with applicable privacy and data protection regulations, and in a manner that upholds high standards in terms of security, quality, accuracy, and integrity. CAE will not use AI systems that allow individuals to be improperly identified, located, tracked, targeted, monitored or profiled.



Inclusion, non-discrimination and fairness

AI systems designed to make or support decisions based on personal traits (such as age, race, religion, color, ethnicity, national origin, disability, sexual orientation, gender identity or gender expression) are not tolerated.



Social and environmental responsibility

As an energy and water-intensive technology, AI systems put pressure on supplies of vital resources, while accelerating climate change. However, our AI shall be developed, deployed and used in a responsible, sustainable and energy-efficient manner.



Responsibility and accountability

We are responsible and accountable for the AI systems that we make available to our employees and customers and exercise diligence and care when AI outputs are intended to inform, influence, decide or otherwise impact the rights and freedom of an individual. ■

Our Global Data Privacy Policy applies to all stakeholder relations, including employees, contingent workers, customers, suppliers and partners, and governs activities related to the collection, use, storage, disclosure and processing of personal data.



Policies

- > Global Data Privacy Policy (*internal*)
- > Incident Response Plans (*internal*)
- > CAE Privacy and Data Protection Policy applicable to Suppliers and Subcontractors
- > Cybersecurity policies and standards (*internal*)
- > Guidelines on the Acceptable Use of Generative Artificial Intelligence (*internal*)
- > Enterprise Risk Management Policy (*internal*)
- > Responsible Artificial Intelligence Policy (*internal*)
- > [Information Security Terms for Suppliers](#)

Our performance

Customer privacy breaches

In FY26, no substantiated complaints concerning breaches of customer privacy and losses of customer data were reported. For additional information, please refer to our [GRI Content Index](#) and [SASB Index](#).

Global employee awareness and customized team training

Our training programs raise employee awareness worldwide on leading practices for both data privacy and cybersecurity. As CAE strengthens performance and simplifies ways of working, employee awareness and ownership are critical to operational excellence. Our training programs empower employees to embed privacy and cybersecurity into daily decisions, reinforcing

a culture where every improvement counts and everyone plays a role in protecting CAE's digital ecosystem.

These programs promote compliant personal data handling across CAE's global privacy landscape and reinforce secure behaviours that protect our digital environment. We also deliver targeted, role-specific training to equip employees with the protocols needed to embed privacy and cybersecurity considerations into their processes from the outset.

As part of our cyber-awareness culture, we continuously encourage employees to stay vigilant, recognize emerging cyber risks such as phishing and social engineering, and adopt safe digital habits in their daily work. Regular reminders, practical tips, and scenario-based learning help embed cybersecurity mindfulness into day-to-day decision-making.

In FY26

- **99%** of CAE employees worldwide completed the FY26 training on CAE's Code of Business Conduct, which contains a module on Confidentiality and Privacy.
- **More than 90%** of CAE employees completed 3 cybersecurity training modules.

Cybersecurity excellence: CAE achieves CMMC Level 2 Certification

CAE has earned the U.S. Department of Defense (DoD) Cybersecurity Maturity Model Certification (CMMC) Level 2, specifically covering our Canadian headquarters and designated operational sites.

With this accreditation now a mandatory condition for new DoD contract awards, the accomplishment distinguishes CAE as one of only a few Canadian-based companies with the verified infrastructure to handle Controlled Unclassified Information. Securing this status provides a significant advantage in a highly regulated market, allowing us to pursue high-priority contracts that demand superior data protection. This targeted initiative reflects CAE's capital discipline, prioritizing cybersecurity capabilities that protect our value proposition to customers and reinforce stakeholder trust.

Cybersecurity month and data privacy week at CAE

CAE marked Cybersecurity Month in October 2025 with initiatives that reinforced secure-by-design practices and strengthened cyber-safe behaviours across the organization, supporting our proactive Cybersecurity Program and its focus on early detection, defence and rapid response.

In January 2026, CAE celebrated Data Privacy Week, promoting "Privacy by Design" and encouraging employees to integrate privacy principles, complete training and deepen understanding of personal data protection.



Data privacy and cybersecurity roadmap

Associated SDG



| Key result | Target year | Status |
|---|-------------|--|
| <ul style="list-style-type: none"> <li data-bbox="142 1591 846 1654">› Maintain focus on customized CAE employee training on cybersecurity, privacy, data protection and AI <li data-bbox="142 1686 846 1787">› Maintain effort to implement a world-class Global Data Privacy Program that aligns with leading industry practices and the most stringent privacy regimes | Annual | ■ On track |

— ESRS E1 / ESRS E5 / ESRS G1

Responsible supply chain management

Why it matters

Responsible supply chain management is essential for CAE to meet our sustainability objectives and foster the resilience of the aviation and defence industry. In alignment with our values and approach, sustainable processes determine our system design, positioning us to address the supply chain challenges of today’s world through a substantial paradigm shift.

With a broad network of suppliers supporting our global operations, CAE recognizes our social responsibility as a prime lead to reinforce ethical and sustainable practices.

We view collaboration with our suppliers as critical to responsible supply chain management, with each contribution building up to significant and beneficial changes. Ethical business practices create value and promote sustainability at every stage of the supply chain – from vendor selection, risk and compliance management, and contract negotiation to goods and services purchased.

Responsible supply chain management is a practical enabler of CAE’s transformation, strengthening our operating model and execution across the value chain and supporting capital discipline. By improving supplier performance, risk visibility and compliance readiness, we support more resilient operations and stronger long-term returns.

Governance

Global Procurement and Supply Management (GPSM) supervises conformity to CAE’s procurement policies and processes in conjunction with the Global Ethics and Compliance Office.

As a member of the International Forum on Business Ethical Conduct, CAE endorses the enforcement of international ethical and business-related compliance standards. We are a signatory of the UN Global Compact (UNGC) and follow the 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. In adherence to human rights principles, we publish reports to align with these specific regulatory requirements, addressing risks such as modern slavery and human trafficking.

We extend accountability to our global supplier network and require compliance with applicable laws and regulations in the jurisdictions where they operate or provide services.

CAE considers these standards essential for responsible supply chain management.

Management approach

GPSM oversees strategic supplier relationships throughout the organization, managing both direct and indirect procurement activities to support operational excellence and embed sustainability into sourcing at all levels. As CAE advances our transformation with a focus on portfolio, capital discipline and operating model effectiveness, GPSM is strengthening data-driven supplier governance, consistent processes focused on operational efficiency and scalable tools to improve execution and resilience.

The GPSM Operations Manual and the Sustainable Procurement and Supply Management Framework strengthen our ability to conduct responsible business, adapting to changes that affect sustainability.

Within GPSM, the Procurement Sustainability team (PST) develops and implements CAE’s supply chain sustainability strategy, focusing on enhancing operational efficiency and minimizing the environmental and social impacts of our procurement decisions. The team also ensures continuous improvement of sustainability program and performance within the supply base. ▶

In addition, the PST contributes to sustainable product development by collaborating with the engineering and the product teams to establish a more informed design decision-making process. The team employs integrated economics, which assess cost and emissions, to identify solutions that balance energy and resource efficiency, costs and carbon emissions reduction, and promote sustainable product outcomes. These contributions are further detailed in the [Climate change mitigation](#) section.

A global network of sustainability ambassadors drawn from our procurement teams plays a central role in scaling responsible supply chain management across CAE. Acting as trusted relays between GPSM, PST practitioners and suppliers, they embed sustainability considerations into day-to-day sourcing and supplier engagement activities. This distributed model enables consistent deployment of our responsible sourcing program across all purchasing categories and geographies, maximizing impact, efficiency and alignment throughout our supply network.

Alongside the PST, they form the Sustainability Procurement Committee, which assesses supplier sustainability maturity and manages risk mitigation.

Policies and framework

CAE's Purchasing Policy aligns with ISO 20400 and guides our procurement actions. The Policy details legal and ethical standards compliance, including requirements mandated by our Supplier and Business Partner Code of Conduct.

CAE's Supplier and Business Partner Code of Conduct sets out the minimum ethical standards that suppliers across the entire aerospace and defence industry must follow. The Code covers 14 key areas of commitment, with directives on environmental, social and governance matters.

Our Sustainable Procurement and Supply Management Framework establishes standards for responsible supply chain management. This Framework guides due diligence through principles and requirements for our sourcing teams to ensure their actions align with our sustainability strategy.

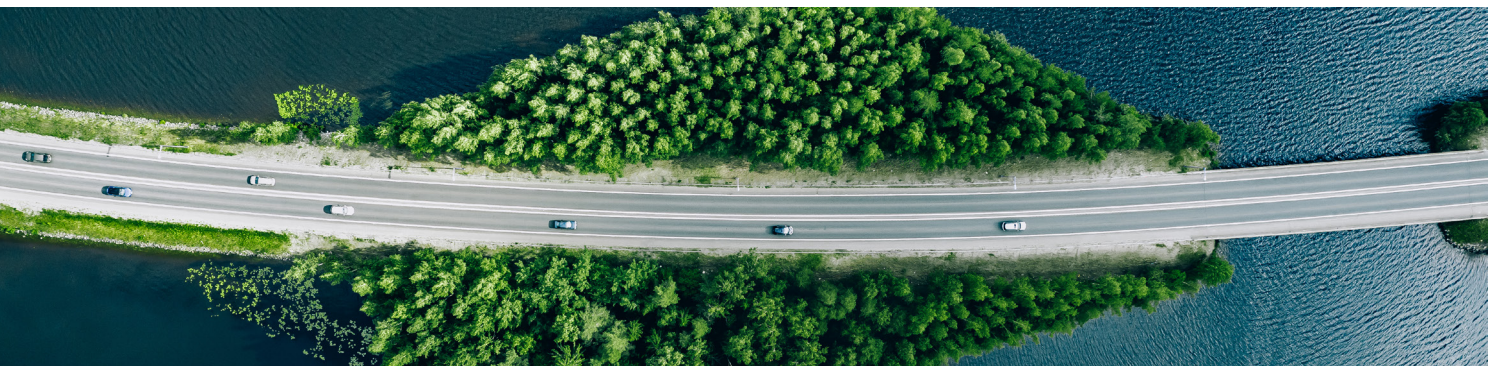
By embedding sustainability into our supply chain, we drive an integrated approach where operational efficiency and responsible management of business impacts reinforce one another. Our Framework continually evolves as CAE's sustainability maturity and processes progress, and according to changing regulations.

Sustainability and compliance criteria

To engage in business with CAE, suppliers undergo a comprehensive evaluation process, facilitated by our global procurement management platform. Our request for proposal (RFP) process requires suppliers to complete an initial survey to assess their suitability. In evaluating each RFP, CAE's digital platform applies a set of sustainability criteria that guide our supplier selection decisions. To support this process, we built a supplier scorecard generator to help evaluate the supplier's performance on sustainability, social impact and governance.

Upon acceptance, suppliers must adhere to the ethical standards outlined in CAE's Supplier and Business Partner Code of Conduct, which are included in our standard procurement contract terms and conditions.

A specific sustainability annex to our supplier contracts explicitly defines our requirements and reinforces sustainable practices as a mandatory part of doing business with us. Suppliers must also comply with CAE's Conflict Minerals Policy. ▶



CAE Resilient Together - Performance management

CAE Resilient Together links supplier performance management with sustainability outcomes – driving more consistent execution, improved operational efficiency and risk management, and stronger supply chain resilience.

CAE Resilient Together, our Supply Chain Performance Management Program, is both a program for our business partners and a change management platform used by our internal stakeholders to elevate CAE’s sustainability maturity. It connects business value with sustainability, mutually reinforcing both operational excellence and sustainability in our business partnerships.

The program focuses on our strategic suppliers, providing them with support and identifying incremental objectives to strengthen our supply network and evolve our suppliers’ business, operations and sustainability practices.

Evaluation matrices and scorecards are essential tools within CAE Resilient Together. These tools analyze suppliers’ sustainability and operational maturity levels. Suppliers are classified into four categories (Foundation, Advanced, Expert and Leader) based on environmental management system and ISO 14001:2015 methodology and are guided through the subsequent stages of their journey within the program.

We start by taking into account our suppliers’ current maturity levels and build on those to elevate their awareness and develop their capabilities to reach a common standard. Then we work together to unlock further value.

Working hand in hand, CAE assists suppliers in calculating their carbon footprint, formulating operational efficiency and decarbonization strategies, implementing carbon reduction targets, and achieving their operational and sustainability goals. We support them in transitioning to renewable energy, reducing energy consumption and integrating sustainable-design practices into their manufacturing processes.

As part of CAE Resilient Together, the CAE Crystal Excellence Award recognizes suppliers for excellence in performance, sustainability and collaboration across the supply chain.

As the program matures, CAE will progressively embed the Resilient Together program into core procurement and supply chain processes, evolving toward more targeted, value-driven actions with key suppliers. This evolution is expected to strengthen execution, risk anticipation and performance management across the value chain, supporting CAE’s transformation in line with portfolio focus, capital discipline and operating model effectiveness. ►



Supplier risk management

CAE’s supplier sustainability risk management includes the implementation of a third-party risk assessment and monitoring tool, EcoVadis, which we are progressively extending across our supplier base. This essential compliance asset aids us in screening suppliers throughout the procurement lifecycle, including through proactive searches for potential violations or adverse media coverage.

We monitor ongoing risk exposure related to our supply chain through comprehensive supplier assessments that focus on ethics, environment and sustainable procurement. Evaluations cover labour and human rights, occupational health and safety, working conditions, career management, as well as the identification of significant risk signals of incidents related to child or forced labour.

When risks are identified, our PST leads the mitigation process, engaging the Sustainability Procurement Committee to assess the impact and implement an improvement plan adapted to each risk impact. For high impact risks, a strategy and risk mitigation plan is submitted to the GPSM decision board for approval. If necessary, they develop and implement a supplier disengagement plan to track all related actions and communications.

Training and stakeholder engagement

CAE not only sets supplier sustainability performance standards, we empower our partners to achieve them. We promote responsible supply chain practices through direct supplier engagement and enable capacity building. Our supplier forums, webinars and workshops focus on specific areas of improvement and regulatory awareness, enhancing sustainability awareness and knowledge exchange.

This collaborative approach extends to our broader industry activities and to our internal team. The GPSM ambassadors assigned to each procurement commodity receive continuous training on a range of environmental and social topics to continue to embed sustainability in our procurement culture and processes.

Supplier diversity

CAE actively works on incorporating inclusion and equal opportunities practices in our value chain processes and on contracting with new diverse suppliers. Diverse suppliers contribute to CAE’s growth and help foster innovation and creativity, while inclusion and equal opportunity requirements are embedded in our purchase order terms and conditions and reflected in our supplier selection criteria. As part of our reconciliation program and our commitments to economic participation and benefit sharing with Indigenous communities, we are advancing the integration of Indigenous suppliers into our procurement strategy. ■



Policies

- > [Anti-Corruption Policy](#)
- > [Conflict Minerals Policy](#)
- > [Counterfeit Policy](#)
- > [Global Environment, Health and Safety Policy](#)
- > [Human Rights Policy](#)
- > [Purchasing Policy \(internal\)](#)
- > [Purchasing General Terms and Conditions](#)
- > [Supplier and Business Partner Code of Conduct](#)
- > [Sustainable Procurement and Supply Management Framework \(internal\)](#)

Our performance

In FY26, we prioritized scalable, execution-oriented actions that strengthen supplier performance, risk visibility and compliance readiness – key enablers of CAE’s transformation agenda.

Progress on supplier assessment

CAE supplier assessments are crucial for managing risks and improving the sustainability performance of our supply chain. We extended the scope of EcoVadis screening to include suppliers of all categories. Please refer to [GRI 308: Supplier environmental assessment 2016](#) and [GRI 414: Supplier social assessment 2016](#) for additional information.

CAE Crystal Excellence Award recognizes top-performing suppliers

The CAE Crystal Excellence Award, now in its third edition, represents the strong, interdependent relationships within our ecosystem of suppliers, customers and CAE employees.

We recognized four suppliers for their exceptional performance in operational excellence and sustainability, and for their commitment to fostering strong collaborative relationships. Congratulations to award recipients Composites VCI, Moog, Aerotek and Red Hat.

Progress on regulatory readiness through Éco-Envol project

Éco-Envol unites Airbus Canada, Airbus Atlantique Canada and CAE to accelerate the development of innovative and sustainable aerospace manufacturing solutions.

The initiative focuses on developing environmentally responsible alternatives compliant with REACH¹ and CBAM² requirements, which are crucial for maintaining access to the European market.

During the year, CAE advanced key project priorities. Actions included measuring and declaring chemical substances contained in our products using supplier-provided data; assessing risks linked to hazardous or banned substances; and implementing a standardized substance management system supported by an obsolescence risk mitigation plan to prevent supply chain disruptions. CAE also strengthened supplier engagement by supporting and training them in understanding regulatory requirements and improving the quality of substance and material data collection.

Capacity-building through Décarbhone+

CAE launched the second Décarbhone+ cohort, with five aerospace suppliers selected as participants in Accelerating the Achievement of Decarbonization Targets.

The 5-month program provided a structured, three-module pathway to decarbonization, focusing on practical, tailored results. Guided by business mentors, suppliers developed custom sustainability roadmaps, utilizing ASHRAE energy audits and greenhouse gas (GHG) calculations to reduce their environmental footprint and increase profitability.

Founded in 2024 by Aéro Montréal and CAE, the non-profit organization also receives support from partners Hydro-Québec, Énergir, Desjardins, Cascades, Investissement Québec and BDC.

Décarbhone+ has since become a key component of CAE Resilient Together and is integral to our efforts to enhance the capabilities of our strategic suppliers in Quebec through a collaborative approach to sustainability. ▶

In FY26

- 78% of strategic suppliers³, representing 92% of CAE’s strategic spend, were scored or in the process of being scored through our third-party risk monitoring tool, EcoVadis.
- 100% of the GPSM group underwent internal training focused specifically on supplier evaluations and tracking suppliers’ progress through the CAE Resilient Together program.

¹ Registration, Evaluation, Authorisation, and Restriction of Chemicals

² Carbon Border Adjustment Mechanism

³ Strategic suppliers play an integral role in CAE’s operations for the product. Strategic suppliers are typically Tier 1s, integrators or OEMs with whom CAE transacts a high degree of volume, value and/ or complex work and from whom an extended supply interruption or gaps in supply would cause a direct impact either on the ability to satisfy customer demands for new products or on aftermarket requirements. Data excludes CAE USA spend.

GPSM targeted training

All team members participated in a mandatory three-part training series, with modules on *Sustainability and Decarbonization Strategy*, *Sustainable Procurement Framework* and *Sustainability Risk Management* also covering human rights due diligence.

The group also completed targeted training on the Partnership Accreditation in Indigenous Relations and the Indigenous Participation Plan to ensure consistent implementation of Indigenous sourcing requirements.

In addition to strengthening our risk management system and supplier performance, we also advanced several enabling initiatives.

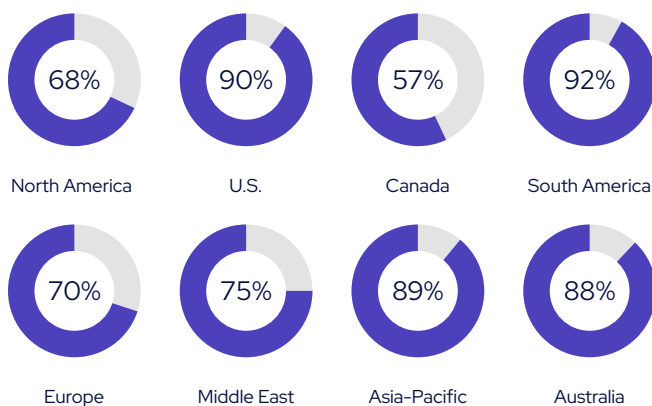
Prioritizing local sourcing

At CAE, a local supplier is any organization or individual providing products or services within the same geographic country as our operations, ensuring no transnational payments.

Our definition of “local” encompasses both the immediate community surrounding our operations and the entire country. Prioritizing local suppliers helps reduce CAE’s Scope 3 global GHG emissions associated with transporting goods and services.

Local sourcing is a key criterion in our supplier selection. When possible, we dual source to strengthen supply chain resilience and encourage suppliers to choose commodities and partners with the lowest environmental impact.

Proportion of FY26 spending on local suppliers



Building an inclusive supply chain

For the fourth year running, CAE participated in Heading for Success, an industry event hosted by the Quebec Business Women’s Network. The three-day program featured high-level conferences and roundtables, drawing 300 participants and facilitating over 1,500 connections between businesswomen and major contractors. Our procurement practitioners led discussions at five roundtables, engaging directly with women-owned businesses.

To further supply chain inclusivity, we integrated an Indigenous business directory into our sourcing processes to improve visibility and support Indigenous suppliers throughout our sourcing activities.

Industry collaboration: Supporting IAEG to advance aerospace sustainability

As a member and board director of the International Aerospace Environmental Group (IAEG), CAE contributes our expertise to key sustainability topics, including industry engagement, GHG management and reporting, and issues affecting aviation’s value and supply chain. CAE collaborates with aerospace peers to develop tools, standards and best practices for environmental compliance, sustainability and supply chain risk management through active participation in IAEG working groups on GHG management and reporting, sustainability engagement, lifecycle assessment, and global regulatory impact analysis. ■



Associated SDGs



Responsible supply chain management roadmap

| Key result | Target year | Status |
|---|-------------|---|
| <ul style="list-style-type: none"> › Complete a GHG reduction program with direct strategic suppliers | FY26 | ■ Achieved |
| <ul style="list-style-type: none"> › Increase by 5% the adoption of core requirements¹ across all strategic suppliers (direct and indirect) participating in the program › 90% of strategic suppliers have a Human Rights policy | FY27 | ■ On track |
| <ul style="list-style-type: none"> › Complete a GHG reduction program with all strategic suppliers › Support at least 55% of strategic suppliers in improving their EcoVadis score through targeted capacity-building initiatives › 55% of strategic suppliers have a Human Rights Due Diligence process | FY28 | ■ On track |

¹ Core requirements include, at a minimum: an EcoVadis score, a Code of Conduct, 100% adherence to CAE's Supplier and Business Partner Code of Conduct, 100% adherence to CAE's Human Rights Policy, a Human Right Due Diligence Process and a carbon inventory with a GHG reduction strategy or commitment.

Appendix



Site certifications

ISO 9001:2015 – Quality management systems – Requirements

CAE Montréal

8585 Côte-de-Liesse, Saint-Laurent,
Quebec, Canada H4T 1G6

Scope – Design, manufacture, service and maintenance of simulation products and training solutions.

105 Montée de Liesse, Saint-Laurent,
Quebec, Canada H4T 1S6

Scope – Assembly and test of simulation products.

400 Montée de Liesse, Saint-Laurent,
Quebec, Canada H4T 1N8

Scope – Storage, handling and warehousing.

109 Montée de Liesse, Saint-Laurent,
Quebec, Canada H4T 1S6

Scope – Storage, handling and warehousing.

CAE Canada Region – Bushell Park, Saskatchewan

15 Wing Moose Jaw, Building 160 P.O. Box 30, Bushell Park,
Saskatchewan, Canada S0H 0N0

Scope – Maintain and service flight training devices; provide supply support and provisioning; provide on-site hardware/software support; provide data and records management.

CAE Canada Region – Gagetown

403 Squadron, Building L24, CFB Gagetown, Oromocto,
New Brunswick, Canada E2V 4J5

Scope – Maintain and service flight training devices; provide supply support and provisioning; provide on-site hardware/software support; provide data and records management.

CAE Canada Region – Greenwood

404 Squadron, Building 250, 14 Wing Greenwood,
Nova Scotia, Canada BOP 1N0

Scope – Maintain and service flight training devices; provide supply support and provisioning; provide on-site hardware/software support; provide data and records management.

CAE Canada Region – Halifax

36 Solutions Drive, Suite 200, Halifax,
Nova Scotia, Canada B3S 1N2

Scope – Software development, systems engineering, systems integration, in-service support, operational systems, enterprise training and consulting services for defence, aerospace, public safety and security applications. Courseware design and development.

CAE Canada Region – Mirabel

10000 Helen-Bristol Street, Mirabel,
Quebec, Canada J7N 1H3

Scope – The provision of capacity-service support for the entire lifecycle of systems, including systems engineering and software and integrated logistics support.

CAE Canada Region – Ottawa

350 Legget Drive Suite 200, Ottawa,
Ontario, Canada K2K 2W7

Scope – The provision of software development, systems engineering, system integration, ISS, operational systems, enterprise training and consulting services for the entire systems' lifecycle, including integrated logistics support, for defence and aerospace applications. Project management and software development and maintenance for aircraft systems training devices.

CAE Canada Region – Petawawa

450 Tactical Helicopter Squadron, Building CC128,
450 Battle Road, Garrison Petawawa, Petawawa,
Ontario, Canada K8H 2X3

Scope – Repair and maintain flight simulators and associated training equipment; provide on-site hardware/software support; manage spares and inventory; coordinate and schedule training time; provide aircrew training services; develop and maintain courseware and training documentation; and provide data and records management.

CAE Canada Region – Station Main, Lazo

FWSAR 19 Wing Comox, Station Main, Lazo,
British Columbia, Canada VOR 2K0

Scope – Provide aircrew simulator services and maintain aircraft simulator devices.

CAE Canada Region – Toronto

2025 Logistics Drive, Mississauga, Ontario L5S 1Z9

Scope – Provision of certified devices, training and training resources to support Commercial Pilot training as an Authorized Training Organization.

CAE Canada Region – Trenton

20 Buffalo Avenue, 8 Wing Trenton, Astra,
Ontario, Canada KOK 3W0

Scope – Maintain and service flight training devices; provide supply support and provisioning; provide on-site hardware/software support; provide data and records management.

46 Yukon Street, 8 Wing Trenton, Astra,
Ontario, Canada KOK 3W0

Scope – Repair and maintain flight simulators, aircraft maintenance training devices and associated training equipment; provide on-site hardware/software support; manage spares and inventory; coordinate and schedule training time; provide aircrew training services; develop and maintain courseware and training documentation; and provide data and records management.

CAE Military Aviation Training - Bushell Park, Saskatchewan

NATO Flight Training in Canada (NFTC),
Colonel O.B. Philips Complex, Building 160, PO Box 120,
Bushell Park, Saskatchewan, Canada S0H 0N0

Scope – Ground school training, aircraft maintenance repair and overhaul, engineering support and technical management activities.

CAE India Private Limited

1st Floor, Survey No. 26 & 27, Bandaramanahalli Village, Uganavadi Post, Devanahalli Taluk, Bangalore-562 110, Karnataka, India

Scope – Designing, developing, integrating and maintaining of simulators for aerospace & defence sectors.

CAE USA - Tampa

5004 Air Cargo Road, Tampa, Florida, U.S. 33614

Scope – Design, Development, Production and Modification of Simulation and Training Systems for Military Applications.

CAE USA - Arlington, Texas

2200 Arlington Downs Road, Arlington, Texas, U.S. 76011-5328

Scope – Design, Development, Production and Modification of Simulation and Training Systems for Military and Commercial Applications.

3101 Pinewood Drive, Arlington, Texas, U.S. 76010

Scope – Warehouse and production of Simulation and Training Systems for Military and Commercial Applications.

CAE USA - Binghamton, New York

147 Industrial Park Drive, Binghamton, New York, U.S. 13904

Scope – Design, Development and Program Management of Simulation and Training Systems for Military and Commercial Applications.

CAE USA - Broken Arrow

3724 West Vancouver, Broken Arrow, Oklahoma, U.S. 74012

Scope – Design, Development, Production and Modification of Simulation and Training Systems for Military and Commercial Applications.

CAE Australia Pty Ltd

Heritage Building A Campus Business Park,
350 Parramatta Road, Homebush NSW 2140, Australia

Scope – The systems engineering, maintenance support, project and program management with regard to simulation training devices. The provision of training services.

Bankstown Airport, 33 Nancy Ellis Leebold Drive,
Bankstown NSW 2200, Australia

Scope – The provision of maintenance support with regard to simulation training devices.

Seahawk Simulation Warfare Centre (SWWC) HMAS Albatross
Braidwood Road, Nowra Hill NSW 2540, Australia

Scope – The provision of maintenance support of simulation training devices.

Simulator Facility Building 375 Percival Street Royal Australian Air Force (RAAF) Base, Richmond NSW 2755, Australia

Scope – The provision of systems engineering and maintenance support with regard to simulation training devices and of training services using simulation training devices.

76SQN Hawk Simulator Facility Building 868, RAAF Base, Williamtown NSW 2314, Australia

Scope – The provision of systems engineering and maintenance support with regard to simulation training devices and of training services using simulation training devices.

RAAF Base KC30-A Sim Facility Building 1123 F-111 Drive, Amberley QLD 4306, Australia

Scope – The provision of systems engineering and maintenance support with regard to simulation training devices and of training services using simulation training devices.

Level 11, 120 Edward Street, Brisbane QLD 4000, Australia

Scope – The provision of systems engineering, training services and project management with regard to simulation training devices. The development of growth opportunities within the business.

Building 0807 CH47F Training Centre RAAF Base Townsville Ingham Road, Garbutt QLD 4810, Australia

Scope – The provision of systems engineering and maintenance support with regard to simulation training devices.

CAE Sale Training Centre Lot 17 Wellington Park Way, Sale VIC 3850, Australia

Scope – The provision of maintenance support with regard to simulation training devices.

79 SQN Simulator, Building A0989 RAAF Base Pearce Bullsbrook WA 6084, Australia

Scope – The provision of systems engineering and maintenance support with regard to simulation training devices and of training services using simulation training devices.

RAAF Base C-27J Training Facility Building 1403 Anson Drive, Amberley QLD 4306, Australia

Scope – The provision of systems engineering and maintenance support with regard to simulation training devices and of training services using simulation training devices.

CAE New Zealand Pty Ltd

Seasprite Simulator 6 Squadron HQ, RNZAF Base, Auckland Tainui Street, Whenuapai Auckland 0618, New Zealand

Scope – The provision of systems engineering and maintenance support with regard to simulation training devices.

HSTC Building RNZAF Base Kororareka Ave, Ohakea 4816, New Zealand

Scope – The provision of systems engineering and maintenance support with regard to simulation training devices.

14 SQN Training Centre Kororareka Ave, Ohakea 4816, New Zealand

Scope – The provision of systems engineering and maintenance support with regard to simulation training devices.

CAE Kuala Lumpur – Malaysia

Lot PT25B, Jalan S5, Southern Support Zone, KLIA, 64000, Sepang, Selangor, Malaysia

Scope – Provision of Training for Commercial Pilots, Cabin Crew, Ramp, Guest Services and Aircraft Maintenance.

CAE Maritime Middle East LLC

Office 1002, Liwa Tower, Capital Center, Al Rawdah, Abu Dhabi, United Arab Emirates PO Box 45990

Scope – Management of engineering, supply, installation, commissioning and maintenance of simulator training devices and integrated Live-Virtual-Constructive (LVC) training services for defence sector.

CAE Germany – CAE GmbH – Stolberg

Steinfurt 11, 52222-D Stolberg, Germany

Scope – Operation, design and development, customer requirement analysis, supply and through-life support of training equipment and synthetic simulation environments, systems and software applications, mainly flight and tactical simulators and the provision of training programs. Maintenance, support, repair and operation of training equipment and synthetic simulation environments, mainly flight and tactical simulators and, if required, the provision of related training programs.

CAE Germany – CAE Services GmbH – Bückeberg

Bäckerstr. 18, 31683 Obernkirchen, Germany

Scope – Maintenance, support, repair and operation of training equipment and synthetic simulation environments, mainly flight and tactical simulators and, if required, the provision of related training programs.

CAE United Kingdom Plc Defence & Security

Innovation Drive, Burgess Hill, West Sussex, RH15 9TW, U.K.

In addition to ISO 9001:2015, certification includes TickITplus Foundation.

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

Scope profile: Systems and software development and support. Additional processes: Maintenance management.

Medium Support Helicopter, Aircrew Training Facility, RAF Benson, Wallingford, Oxfordshire, OX10 6AA, U.K.

In addition to ISO 9001:2015, certification includes TickITplus Foundation.

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

Scope profile: Systems and software development and support. Additional processes: Maintenance management.

Merlin Training Facility, RNAS Culdrose, Helston, Cornwall, TR21 7HR, U.K.

In addition to ISO 9001:2015, certification includes TickITplus Foundation.

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

Scope profile: Systems and software development and support. Additional processes: Maintenance management.

CAE Hungary – CAE Engineering Kft. – Budapest

Tóth Kálmán utca 2/B. H-1097 Budapest Hungary

Scope – Software Development.

CAE Arabia

RASA3026 3026 Prince Mohammed Bin Salman Bin Abdulaziz Rd, 6133 Al Sahafah Dist. Postal Code: 13315 Al Nakhlah Tower, Riyadh, Kingdom of Saudi Arabia

Scope – Specialized in delivering advanced training & maintenance services with a primary focus on pilot training programs and maintenance of synthetic training equipment and simulation environments.

AS9100D – Quality management systems – Requirements for aviation, space and defence organizations

CAE Montréal

8585 Côte-de-Liesse, Saint-Laurent, Quebec, Canada H4T 1G6

Scope – Program management, design (hardware and software), manufacture and post-delivery support of the Magnetic Anomaly Detection MAD/AIMS equipment.

CAE Canada Region – Ottawa

350 Legget Drive Suite 200, Ottawa, Ontario, Canada K2K 2W7

Scope – Business Development and design (software) of the Magnetic Anomaly Detection (MAD)/AIMS equipment. (Virtual Site).

CAE USA – Tampa

5004 Air Cargo Road, Tampa, Florida, U.S. 33614

Scope – Design, Development, Manufacturing and Modification of Simulation and Training Systems for Military Applications.

CAE USA – Arlington, Texas

2200 Arlington Downs Road Arlington, Texas, U.S. 76011-5328

Scope – Design, Development, Production and Modification of Simulation and Training Systems for Military and Commercial Applications.

3101 Pinewood Drive Arlington, Texas, U.S. 76010

Scope – Warehouse and production of simulation and training systems for Military and Commercial Applications.

CAE USA – Binghamton, New York

147 Industrial Park Drive, Binghamton, New York, U.S. 13904

Scope – Design, Development and Program Management of Simulation and Training Systems for Military and Commercial Applications.

CAE USA – Broken Arrow

3724 West Vancouver Street, Broken Arrow, Oklahoma, U.S. 74012

Scope – Design, Development, Production and Modification of Simulation and Training Systems for Military and Commercial Applications.

ISO 14001:2015 – Environmental management systems – Requirements with guidance for use

CAE Canada Region – Bushell Park, Saskatchewan

15 Wing Moose Jaw, Building 160 P.O. Box 30, Bushell Park, Saskatchewan, Canada S0H 0N0

Scope – Maintain and service flight training devices; provide supply support and provisioning; provide on-site hardware/software support; provide data and records management.

CAE Canada Region – Gagetown

403 Squadron, Building L24, CFB Gagetown, Oromocto, New Brunswick, Canada E2V 4J5

Scope – Maintain and service flight training devices; provide supply support and provisioning; provide on-site hardware/software support; provide data and records management.

CAE Canada Region – Greenwood

404 Squadron, Building 250, 14 Wing, Greenwood, Nova Scotia, Canada B0P 1N0

Scope – Maintain and service flight training devices; provide supply support and provisioning; provide on-site hardware/software support; provide data and records management.

CAE Canada Region – Halifax

36 Solutions Drive, Suite 200, Halifax, Nova Scotia, Canada B3S 1N2

Scope – Software development, systems engineering, systems integration, in-service support, operational systems, enterprise training and consulting services for defence, aerospace, public safety and security applications.

CAE Canada Region – Mirabel

10000 Helen-Bristol Street, Mirabel, Quebec, Canada J7N 1H3

Scope – The provision of capacity-service support for the entire life cycle of systems including systems engineering and software and integrated logistic support.

CAE Canada Region – Petawawa

450 Tactical Helicopter Squadron, Building CC128, 450 Battle Road, Garrison Petawawa, Petawawa, Ontario, Canada K8H 2X3

Scope – Repair and maintain flight simulators and associated training equipment; provide on-site hardware/software support; manage spares and inventory; coordinate and schedule training time; provide aircrew training services; develop and maintain courseware and training documentation; and provide data and records management.

CAE Canada Region – Ottawa

350 Legget Drive Suite 200, Ottawa, Ontario, Canada K2K 2W7

Scope – The provision of software development, systems engineering, system integration, ISS, operational systems, enterprise training and consulting services for the entire systems' life cycle, including integrated logistics support, for defence and aerospace applications.

Scope – Project Management and Software Development and Maintenance for Aircraft Systems Training Devices.

CAE Canada Region – Station Main, Lazo

19 Wing Comox, Station Main, Lazo, British Columbia, Canada V0R 2K0

Scope – Provide aircrew simulator services & training, and maintain aircraft simulator devices.

CAE Canada Region – Trenton

20 Buffalo Ave, 8 Wing Trenton, Astra, Ontario, Canada K0K 3W0

Scope – Maintain and service flight training devices; provide supply support and provisioning; provide on-site hardware/software support; provide data and records management.

46 Yukon Street, 8 Wing Trenton, Astra, Ontario, Canada K0K 3W0

Scope – Repair and maintain flight simulators, aircraft maintenance training devices and associated training equipment; provide on-site hardware/software support; manage spares and inventory; coordinate and schedule training time; provide aircrew training services; develop and maintain courseware and training documentation; and provide data and records management.

CAE Military Aviation Training – Bushell Park, Saskatchewan

Moose Jaw CAE Inc., NATO Flight Training in Canada (NFTC), Colonel O.B. Philips Complex, Building 160, PO Box 120, Bushell Park, Saskatchewan, Canada S0H 0N0

Scope – Ground school training, aircraft maintenance repair and overhaul, engineering support and technical management activities.

CAE Australia Pty Ltd.

Heritage Building A Campus Business Park, 350 Parramatta Road, Homebush NSW 2140, Australia

Scope – Systems engineering, maintenance support, project and program management with regard to simulation training devices. The provision of training services.

Bankstown Airport, 33 Nancy Ellis Leebold Drive, Bankstown NSW 2200, Australia

Scope – The provision of maintenance support with regard to simulation training devices.

Seahawk Simulation Warfare Centre (SWWC) HMAS Albatross Braidwood Road, Nowra Hill NSW 2540, Australia

Scope – The provision of maintenance support of simulation training devices.

Simulator Facility Building 375 Percival Street RAAF Base, Richmond NSW 2755, Australia

Scope – The provision of systems engineering and maintenance support with regard to simulation training devices and of training services using simulation training devices.

76 SQN Hawk Simulator Facility Building 868, RAAF Base, Williamtown NSW 2314, Australia

Scope – The provision of systems engineering and maintenance support with regard to simulation training devices and of training services using simulation training devices.

**RAAF Base KC30-A Sim Facility Building 1123 F-111 Drive,
Amberley QLD 4306, Australia**

Scope – *The provision of systems engineering and maintenance support with regard to simulation training devices and of training services using simulation training devices.*

Level 11, 120 Edward Street, Brisbane QLD 4000, Australia

Scope – *The provision of systems engineering, training services and project management with regard to simulation training devices. The development of growth opportunities within the business.*

**Building 0807 CH47F Training Centre RAAF Base Townsville
Ingham Road Garbutt QLD 4810, Australia**

Scope – *The provision of systems engineering and maintenance support with regard to simulation training devices.*

**CAE Sale Training Centre Lot 17 Wellington Park Way,
Sale VIC 3850, Australia**

Scope – *The provision of maintenance support with regard to simulation training devices.*

**79 SQN Simulator, Building A0989,
RAAF Base Pearce Bullsbrook WA 6084, Australia**

Scope – *The provision of systems engineering and maintenance support with regard to simulation training devices.*

**CAE Perth Training Centre 81 Verde Drive,
Jandakot WA 6164, Australia**

Scope – *The provision of civil aviation training services and maintenance support of flight simulators and training devices.*

**RAAF Base Amberley C-27J Training Support Facility Building
1403/1404 Amberley QLD 4306 Australia**

Scope – *The provision of systems engineering and maintenance support with regard to simulation training devices and of training services using simulation training devices.*

**Navy Training Systems Centre–Randwick, Building 310,
373A Avoca Street, Kingsford, NSW 2032, Australia**

Scope – *The provision of training services using simulation training devices.*

CAE New Zealand Pty Ltd

**Seasprite Simulator 6 Squadron HQ, RNZAF Base,
Auckland Tainui Street, Whenuapai Auckland 0618, New Zealand**

Scope – *The provision of systems engineering and maintenance support with regard to simulation training devices.*

**HSTC Building RNZAF Base Kororareka Ave,
Ohakea 4816, New Zealand**

Scope – *The provision of systems engineering and maintenance support with regard to simulation training devices.*

**14 SQN Training Centre Kororareka Ave,
Ohakea 4816, New Zealand**

Scope – *The provision of systems engineering and maintenance support with regard to simulation training devices.*

CAE United Kingdom Plc Defence & Security

**Innovation Drive, Burgess Hill, West Sussex,
RH15 9TW, U.K.**

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

**Merlin Training Facility, RNAS Culdrose, Helston,
Cornwall, TR12 7RH, U.K.**

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

**Medium Support Helicopter Aircrew Training Facility, RAF Benson,
Wallingford, Oxfordshire, OX10 6AA, U.K.**

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

**ISO 45001:2018 – Occupational health and safety
management systems – Requirements with
guidance for use**

CAE Canada Region – Bushell Park, Saskatchewan

**15 Wing Moose Jaw, Building 160 P.O. Box 30, Bushell Park,
Saskatchewan, Canada S0H 0N0**

Scope – *Maintain and service flight training devices; provide supply support and provisioning; provide on-site hardware/software support; provide data and records management.*

CAE Canada Region – Gagetown

**403 Squadron, Building L24, CFB Gagetown, Oromocto,
New Brunswick, Canada E2V 4J5**

Scope – *Maintain and service flight training devices; provide supply support and provisioning; provide on-site hardware/software support; provide data and records management.*

CAE Canada Region – Greenwood

**404 Squadron, Building 250, 14 Wing Greenwood,
Nova Scotia, Canada B0P 1N0**

Scope – *Maintain and service flight training devices; provide supply support and provisioning; provide on-site hardware/software support; provide data and records management.*

CAE Canada Region – Halifax

**36 Solutions Drive, Suite 200, Halifax,
Nova Scotia, Canada B3S 1N2**

Scope – *Software development, systems engineering, systems integration, in-service support, operational systems, enterprise training and consulting services for defence, aerospace, public safety and security applications.*

CAE Canada Region – Mirabel

10000 Helen-Bristol Street, Mirabel,
Quebec, Canada J7N 1H3

Scope – The provision of capacity-service support for the entire lifecycle of systems, including systems engineering and software and integrated logistic support.

CAE Canada Region – Ottawa

350 Legget Drive Suite 200, Ottawa,
Ontario, Canada K2K 2W7

Scope – The provision of software development, systems engineering, system integration, ISS, operational systems, enterprise training and consulting services for the entire systems' life cycle, including integrated logistics support, for defence and aerospace applications.

Scope – Project Management and Software Development and Maintenance for Aircraft Systems Training Devices.

CAE Canada Region – Petawawa

450 Tactical Helicopter Squadron, Building CC128,
450 Battle Road, Garrison Petawawa, Petawawa,
Ontario, Canada K8H 2X3

Scope – Repair and maintain flight simulators and associated training equipment; provide on-site hardware/software support; manage spares and inventory; coordinate and schedule training time; provide aircrew training services; develop and maintain courseware and training documentation; and provide data and records management.

CAE Canada Region – Station Main, Lazo

19 Wing Comox, Station Main, Lazo, British Columbia,
Canada, VOR 2K0

Scope – Provide aircrew simulator services and maintain aircraft simulator devices.

CAE Canada Region – Trenton

20 Buffalo Avenue, 8 Wing Trenton, Astra,
Ontario, Canada K0K 3W0

Scope – Maintain and service flight training devices; provide supply support and provisioning; provide on-site hardware/software support; provide data and records management.

46 Yukon Street, 8 Wing Trenton, Astra,
Ontario, Canada K0K 3W0

Scope – Repair and maintain flight simulators, aircraft maintenance training devices and associated training equipment; provide on-site hardware/software support; manage spares and inventory; coordinate and schedule training time; provide aircrew training services; develop and maintain courseware and training documentation; and provide data and records management.

CAE Military Aviation Training – Bushell Park, Saskatchewan

Moose Jaw CAE Inc., NATO Flight Training in Canada (NFTC),
Colonel O.B. Philips Complex, Building 160, PO Box 120, Bushell
Park, Saskatchewan, Canada S0H 0N0

Scope – Ground school training, aircraft maintenance repair and overhaul, engineering support and technical management activities.

CAE Australia Pty Ltd

Heritage Building A Campus Business Park,
350 Parramatta Road, Homebush NSW 2140, Australia

Scope – The systems engineering, maintenance support, project and program management with regard to simulation training devices. The provision of training services.

Bankstown Airport, 33 Nancy Ellis Leebold Drive,
Bankstown NSW 2200, Australia

Scope – The provision of maintenance support with regard to simulation training devices.

Seahawk Simulation Warfare Centre (SWWC) HMAS Albatross
Braidwood Road, Nowra Hill NSW 2540, Australia

Scope – The provision of maintenance support of simulation training devices.

Simulator Facility Building 375 Percival Street RAAF Base,
Richmond NSW 2755, Australia

Scope – The provision of systems engineering and maintenance support with regard to simulation training devices and of training services using simulation training devices.

76 SQN Hawk Simulator Facility Building 868, RAAF Base,
Williamstown NSW 2314, Australia

Scope – The provision of systems engineering and maintenance support with regard to simulation training devices and of training services using simulation training devices.

RAAF Base KC30-A Sim Facility Building 1123 F-111 Drive,
Amberley QLD 4306, Australia

Scope – The provision of systems engineering and maintenance support with regard to simulation training devices and of training services using simulation training devices.

Level 11, 120 Edward Street, Brisbane QLD 4000, Australia

Scope – The provision of systems engineering, training services and project management with regard to simulation training devices. The development of growth opportunities within the business.

Building 0807 CH47F Training Centre RAAF Base Townsville,
Ingham Road Garbutt QLD 4810, Australia

Scope – The provision of systems engineering and maintenance support with regard to simulation training devices.

CAE Sale Training Centre Lot 17 Wellington Park Way,
Sale VIC 3850, Australia

Scope – The provision of maintenance support with regard to simulation training devices.

79 SQN Simulator, Building A0989,
RAAF Base Pearce Bullsbrook WA 6084, Australia

Scope – The provision of systems engineering and maintenance support with regard to simulation training devices and of training services using simulation training devices.

CAE Perth Training Centre 81 Verde Drive
Jandakot WA 6164, Australia

Scope – The provision of civil aviation training services and maintenance support of flight simulators and training devices.

RAAF Base Amberley C-27J Training Support Facility Building 1403/1404 Amberley QLD 4306 Australia

Scope – *The provision of systems engineering and maintenance support with regard to simulation training devices and of training services using simulation training devices.*

Navy Training Systems Centre–Randwick, Building 310, 373A Avoca Street, Kingsford, NSW 2032, Australia

Scope – *The provision of training services using simulation training devices.*

CAE New Zealand Pty Limited

Seasprite Simulator 6 Squadron HQ, RNZAF Base, Auckland Tainui Street, Whenuapai Auckland 0618, New Zealand

Scope – *The provision of systems engineering and maintenance support with regard to simulation training devices.*

HSTC Building RNZAF Base Kororareka Ave, Ohakea 4816, New Zealand

Scope – *The provision of systems engineering and maintenance support with regard to simulation training devices.*

14 SQN Training Centre, Kororareka Ave, Ohakea 4816, New Zealand

Scope – *The provision of systems engineering and maintenance support with regard to simulation training devices.*

CAN/CIOSC 104:2021 – Cyber Security Canada

CAE Montréal

8585 Côte-de-Liesse, Saint-Laurent, Quebec, Canada H4T 1G6

Scope – *The organization has been audited for compliance in accordance with CAN/CIOSC 104:2021.*

Cyber essentials plus

CAE UK Plc

Innovation Drive, Burgess Hill, West Sussex, RH15 9TW, U.K.

Scope – *Only U.K. organisation, CAE (U.K.) plc, not to include CAE Inc or other CAE entities.*

EcoProfit environmental certification

CAE Germany – CAE GmbH – Stolberg

Steinfurt 11, 52222-D Stolberg

Scope – *Decrease resource consumption, reduce environmental impact and save running costs.*

Employee Value Proposition (EVP) – Investors in People

CAE (UK) Plc – Defence & Security

Innovation Drive, Burgess Hill, West Sussex, RH15 9TW, U.K.

Scope – *Awarded “Silver” level for the “Investors in People–We invest in people” framework. Investors in People assess how the organisation is performing against their framework. They advise and support us on how to improve our workplace culture over time specifically in areas around employee engagement, communication, organisational culture and work practices. This will enable us to understand our performance at leading, supporting and improving our people and culture strategy, comparing against other organisations in our industry and sector globally.*

Work and Family Certification

CAE Germany – CAE GmbH – Stolberg

Steinfurt 11, 52222-D Stolberg

Scope – *Offerings for compatibility of a work and family life, including new objectives for a family-conscious HR policy.*

Approved Training Organisation Certificate (ATO)

CAE Germany – CAE Services GmbH – Bückeburg

Bäckerstr. 18, 31683 Obernkirchen, Germany

Scope – *Approved Training Organisation Certificate – DE.ATO.227*

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Global Reporting Initiative (GRI) Content Index



| | FY26 | FY25 | FY24 |
|--|------|------|------|
|--|------|------|------|

GRI 2: General disclosures

1. The organization and its reporting practices

2-1 Organizational details

| | | | |
|------------------------------------|--|-------------------------------|--|
| Legal name of the organization | CAE Inc. | | |
| Nature of ownership and legal form | FY26 MD&A | FY25 MD&A | FY24 MD&A |
| Location of operation(s) | FY26 Annual Information Form | Page 7 | FY24 Global Annual Activity and Sustainability report, page 11 |
| Location of headquarter(s) | FY26 Annual Information Form | Page 7 | FY24 Global Annual Activity and Sustainability report, page 11 |

2-2 Entities included in the organization's sustainability reporting

| | | | |
|--|--|--|--|
| Entities included in the organization's sustainability reporting | List available in FY26 Annual Information Form | List available in FY25 Annual Information Form | FY24 Annual Information Form |
| Entities included in the consolidated financial statements | List available in FY26 Annual Information Form | List available in FY25 Annual Information Form | FY24 Annual Information Form |

2-3 Reporting scope and boundaries

| | | | |
|--|--|--|---|
| Reporting period - Start Date | Refer to About this report | Refer to About this report | FY24 Global Annual Activity and Sustainability report, page 2 |
| Reporting period - End Date | | | |
| Publication date of the report or reported information | | | |
| Contact point for questions about the report | | | |

2-4 Restatements of information

| | | | |
|---|---|--|--|
| <p>Report restatements of information made from previous reporting periods and explain: i. the reasons for the restatements; ii. the effect of the restatements</p> | <p>FY25 energy and emissions data have been restated to reflect mainly updates to organizational boundaries (operational control approach), including the addition of sites, and updates to emission factors. This restatement affects the following GRI and SASB indicators:</p> <ul style="list-style-type: none"> - GRI 302-1 Energy consumption within the organization - GRI 302-3 Energy intensity - GRI 305-1 Direct (Scope 1) GHG emissions - GRI 305-2 Energy indirect (Scope 2) GHG emissions - GRI 305-3 Other indirect (Scope 3) GHG emissions - GRI 305-1,2,3 Total GHG emissions - GRI 305-4 GHG emissions intensity - SASB RT-AE-130a.1 <p>In addition, refer directly to the footnotes of the following GRI indicators for rationale:</p> <ul style="list-style-type: none"> - GRI 305-3 Other indirect (Scope 3) GHG emissions - only for category 7 - Employee commuting - GRI 403-8 Workers covered by an occupational health and safety management system | <p>GRI 416 (CUS 001 and CUS 002)</p> <p>GRI 2-7 Employees, by employment type, by gender</p> <p>RT-AE-510a.2 Revenue from countries ranked in the "E" or "F" Band of Transparency International's Government defence Anti-Corruption Index</p> | <p>GRI 305 Emissions</p> <p>GRI 308-2 Negative environmental impacts in the supply chain and actions taken</p> <p>GRI 303-3 Water withdrawal</p> |
|---|---|--|--|



| | | |
|------|------|------|
| FY26 | FY25 | FY24 |
|------|------|------|

GRI 2: General disclosures

1. The organization and its reporting practices

2-5 External assurance

| | | | |
|---|---|---|---|
| Description of the organization's current practice with regard to seeking external assurance for the report | Refer to About this report and Sustainability program | Refer to Sustainability program | FY24 Global Annual Activity and Sustainability report , page 30 |
|---|---|---|---|

2. Activities and workers

2-6 Activities, value chain and other business relationships

| | | | |
|--|---|--|---|
| Report the sector(s) in which it is active | FY26 MD&A | FY25 MD&A | FY24 Global Annual Activity and Sustainability report , page 10 |
| Description of the value chain | Refer to Civil Aviation, Defense & Security and Responsible supply chain management | Refer to Civil Aviation and Defense & Security | FY24 Global Annual Activity and Sustainability report , page 10 |

2-7 Total number of employees

| | | | |
|---|---------------------|---------------------|---------------------|
| Total number of employees ¹ | 11,939 ² | 12,289 ³ | 12,811 ⁴ |
| Women | 2,793 / 23.39 % | 2,834 / 23.06% | 3,028 / 23.64% |
| Men | 9,139 / 76.55 % | 9,448 / 76.88% | 9,778 / 76.33% |
| Total number of employees in our joint ventures | 1,013 ⁵ | 870 | 830 |

2-7 Employees, by region

| | | | |
|------------------------------------|-------|-------|--|
| North America ⁶ | 8,756 | 9,017 | No data available for previous fiscal years. |
| Quebec | 3,922 | 4,019 | 4,113 |
| Rest of Canada | 753 | 730 | 744 |
| U.S. | 4,065 | 4,250 | 4,285 |
| South America | 201 | 212 | 235 |
| Europe, Middle-East, Africa (EMEA) | 2,069 | 2,124 | 2,489 |
| Asia-Pacific (APAC) | 913 | 936 | 945 |

2-7 Employees, by employment type, by region

| | | | | |
|---------------|-----------|-------|-------|--|
| North America | Full-time | 8,598 | 8,863 | CAE started reporting on this category in FY25. No data available for previous fiscal years. |
| | Part-time | 158 | 154 | |
| Quebec | Full-time | 3,866 | 3,966 | 4,060 |
| | Part-time | 56 | 53 | 53 |

1 The definition of the total number of employees includes regular employees (worldwide, both full-time and part-time), U.S. part-time category employees (a specific group of part-time employees in the U.S. not included in regular part-time employees), and expatriate employees. It excludes employees from joint ventures, students, temporary contract employees, contingent workers, on-call employees, members of the Board of Directors, pensioners, and employees on specific long-term leaves.

2 In FY26, 7 employees of unknown gender represent 0.06% of the total number of employees.

3 In FY25, 7 employees are of unknown gender. They represent 0.06% of the total number of employees. Headcount has decreased year over year due to reorganization and restructuring, resulting in higher turnover rates compared to the previous year.

4 In FY24, 5 employees did not identify as women or men. They are included in this indicator. The variance between FY23 and FY24 is due to the completion of the sale of CAE Inc.'s Healthcare business on February 16, 2024.

5 The number of workers classified under joint ventures increased following a reclassification of certain CAE employees to joint venture employees.

6 A new category, North America, was introduced in FY25. Mexico is included in the North America total.



| | FY26 | FY25 | FY24 |
|--|------|------|------|
|--|------|------|------|

GRI 2: General disclosures

2. Activities and workers

2-7 Employees, by employment type, by region

| Region | Employment Type | Employee Count | | |
|------------------------------------|-----------------|----------------|-------|-------|
| | | FY26 | FY25 | FY24 |
| Rest of Canada | Full-time | 740 | 721 | 734 |
| | Part-time | 13 | 9 | 10 |
| U.S. | Full-time | 3,976 | 4,158 | 4,210 |
| | Part-time | 89 | 92 | 75 |
| South America | Full-time | 201 | 204 | 228 |
| | Part-time | 0 | 8 | 7 |
| Europe, Middle-East, Africa (EMEA) | Full-time | 1,908 | 1,972 | 2,338 |
| | Part-time | 161 | 152 | 151 |
| Asia-Pacific (APAC) | Full-time | 893 | 920 | 927 |
| | Part-time | 20 | 16 | 18 |

2-7 Employees, by employment type, by gender¹

| Gender | Employment Type | Employee Count and Percentage | | |
|--------|-----------------|-------------------------------|---------------|---------------|
| | | FY26 | FY25 | FY24 |
| Women | Full-time | 2,682 / 23.1% ² | 2,727 / 22.8% | 2,919 / 23.4% |
| | Part-time | 111 / 32.7% | 107 / 32.5% | 109 / 34.7% |
| Men | Full-time | 8,911 / 76.9% | 9,226 / 77.2% | 9,573 / 76.6% |
| | Part-time | 228 / 67.3% | 222 / 67.5% | 205 / 65.3% |

2-7 Employees, by gender, by region

| Region | Gender | Employee Count and Percentage | | Notes |
|----------------|--------|-------------------------------|----------------------------|--|
| | | FY26 | FY25 | |
| North America | Women | 2,031 / 23.2% | 2,056 / 22.8% | CAE started reporting on this category in FY25. No data available for previous fiscal years. |
| | Men | 6,720 / 76.8% | 6,956 / 77.1% | |
| | Total | 8,756 / 73.3% ³ | 9,017 / 73.4% | |
| Quebec | Women | 1,057 / 27.0% | 1,036 / 25.8% | 1,045 / 25.4% |
| | Men | 2,862 / 73.0% | 2,980 / 74.2% | 3,066 / 75.5% |
| | Total | 3,922 / 32.9% | 4,019 / 44.6% ⁴ | 4,113 / 32.1% |
| Rest of Canada | Women | 174 / 23.1% | 156 / 21.4% | 162 / 21.8% |
| | Men | 579 / 76.9% | 574 / 78.6% | 582 / 78.2% |
| | Total | 753 / 6.31% | 730 / 8.1% | 744 / 5.8% |
| U.S. | Women | 794 / 19.5% | 856 / 20.1% | 885 / 20.7% |
| | Men | 3,269 / 80.4% | 3,392 / 79.8% | 3,398 / 79.3% |
| | Total | 4,065 / 34.1% | 4,250 / 47.1% ³ | 4,285 / 33.5% |
| South America | Women | 57 / 28.4% | 60 / 28.3% | 62 / 26.4% |
| | Men | 143 / 71.1% | 152 / 71.7% | 173 / 73.6% |
| | Total | 201 / 1.7% ² | 212 / 1.7% | 235 / 1.8% |

1 Percentages represent the proportion of employees by employment type as a share of the total number of employees within each employment category.

2 In FY26, seven employees of unknown gender are full-time employees.

3 In FY26, five employees of unknown gender are located in North America, 1 in South America and 1 in APAC.

4 In FY25, employees of unknown gender were located in the U.S, Quebec and EMEA.



| | FY26 | FY25 | FY24 |
|--|------|------|------|
|--|------|------|------|

GRI 2: General disclosures

2. Activities and workers

2-7 Employees, by gender, by region

| Region | Gender | FY26 | FY25 | FY24 |
|------------------------------------|--------|--------------------------|----------------------------|---------------|
| Europe, Middle East, Africa (EMEA) | Women | 475 / 23.0 % | 484 / 22.8% | 641 / 25.8% |
| | Men | 1,594 / 77.0 % | 1,639 / 77.2% | 1,848 / 74.3% |
| | Total | 2,069 / 17.3% | 2,124 / 17.3% ¹ | 2,489 / 19.4% |
| Asia-Pacific (APAC) | Women | 230 / 25.2 % | 234 / 25.0% | 233 / 24.7% |
| | Men | 682 / 74.7% | 701 / 74.9% | 711 / 75.2% |
| | Total | 913 / 7.7 % ² | 936 / 7.6% | 945 / 7.4% |

2-8 Workers who are not employees

| Report the total number of workers who are not employees and whose work is controlled by the organization | FY26 | FY25 | FY24 |
|---|--|-------|---|
| 2,426 | 2,798 | 3,038 | |
| Types of workers | At CAE, workers who are not employees are contingent workers who are not on CAE's payroll. They have a predetermined service end date and can fall into one of four categories: external firms, independent consultants, contingent workers and outsourced services. | | At CAE, workers who are not employees are contingent workers who are not on CAE's payroll. They have a predetermined service end date and can fall into one of three categories: external firms, outsourced services, or independent consultants. |

3. Governance

2-9 Governance structure and composition

| Disclosure | FY26 | FY25 | FY24 |
|---|--|--|--|
| 1. Governance structure | Refer to Sustainability governance | Refer to Sustainability governance | FY24 Global Annual Activity and Sustainability report, page 38 |
| 2. Influence/power of the Board Committees on ESG issues | Refer to Sustainability governance | Refer to Sustainability governance | FY24 Global Annual Activity and Sustainability report, page 38 |
| 3. Total number of Board members | 13 | 13 | 13 |
| Average tenure of Board members in years | 2.77 | 1.9 | 4.2 |
| 4. Independent non-executive Board members | 11 / 85% | 12 / 92% | 12 / 92% |
| 6. Other significant positions and commitments held by each member, and the nature of the commitments | FY26 Management Proxy Circular | FY25 Management Proxy Circular | FY24 Management Proxy Circular |
| 5. Executive Board members | 2 / 15% | 1 / 8% | 1 / 8% |
| 7. Independent or non-executive members with industry experience | 3 | 4 | 7 |
| 8. List of independent or non-executive Directors with industry experience | FY26 Management Proxy Circular | FY25 Management Proxy Circular | FY24 Management Proxy Circular |
| Independent members - Governance Committee | 4 / 100% | 3 / 100% | 7 / 100% |
| Independent members - Audit Committee | 5 / 100% | 5 / 100% | 8 / 100% |
| Independent members - Human Resources Committee | 4 / 100% | 5 / 100% | 7 / 100% |
| Independent members - Technology Committee | 3 / 100% | N/A | N/A |
| Women Board members | 5 / 38% | 5 / 38% | 5 / 38% |
| Men Board members | 8 / 62% | 8 / 62% | 8 / 62% |
| Visible minorities | 1 / 8% | 1 / 8% | 1 / 8% |
| Indigenous Peoples | 0 / 0% | 0 / 0% | 0 / 0% |
| People with a disability | 0 / 0% | 0 / 0% | 0 / 0% |
| LGBTQ2+ community | 1 / 8% | 1 / 8% | 1 / 8% |

¹ In FY25, employees of unknown gender were located in the U.S, Quebec and EMEA.

² In FY26, 5 employees of unknown gender are located in North America, 1 in South America and 1 in APAC.



| | FY26 | FY25 | FY24 |
|--|------|------|------|
|--|------|------|------|

GRI 2: General disclosures

3. Governance

2-10 Nomination and selection of the highest governance body

| | | | |
|---|--|--|--|
| Nomination and selection processes for the highest governance body and its committees | FY26 Management Proxy Circular | FY25 Management Proxy Circular | FY24 Management Proxy Circular |
| Criteria used for nominating and selecting highest governance body members | FY26 Management Proxy Circular | FY25 Management Proxy Circular | FY24 Management Proxy Circular |

2-11 Chair of the highest governance body

| | | | |
|--------------------------------------|------------------------------------|------------------------------------|------------------------------------|
| Chair of the highest governance body | Board of Directors | Board of Directors | Board of Directors |
|--------------------------------------|------------------------------------|------------------------------------|------------------------------------|

2-12 Role of the highest governance body in overseeing the management of impacts

| | | | |
|---|----------------------------|----------------------------|----------------------------|
| Role of highest governance body in setting purpose, values and strategy | Governance | Governance | Governance |
|---|----------------------------|----------------------------|----------------------------|

2-13 Delegation of responsibility for managing impacts

| | | | |
|---|--|--|--|
| Consulting stakeholders on economic, environmental, and social topics | Refer to Stakeholder engagement | Refer to Stakeholder engagement | FY24 Global Annual Activity and Sustainability report, page 31 |
| Executive-level responsibility for economic, environmental and social impacts | Refer to Sustainability governance | Refer to Sustainability governance | FY24 Global Annual Activity and Sustainability report, page 38 |
| Delegating authority | Refer to Sustainability governance | Refer to Sustainability governance | FY24 Global Annual Activity and Sustainability report, page 38 |

2-14 Role of the highest governance body in sustainability reporting

| | | | |
|--|--|--|--|
| Highest governance body's role in sustainability reporting | Refer to Sustainability governance | Refer to Sustainability governance | FY24 Global Annual Activity and Sustainability report, page 38 |
|--|--|--|--|

2-15 Conflicts of interest

| | | | |
|--|--|--|---|
| Processes for the highest governance body to ensure that conflicts of interest are prevented and mitigated | Refer to Business ethics | Refer to Business ethics | FY24 Global Annual Activity and Sustainability report, page 128 |
| Description of employee procedures in case of doubt and/or in situations that may represent a conflict of interest | Refer to Business ethics | Refer to Business ethics | FY24 Global Annual Activity and Sustainability report, page 128 |

2-16 Communication of critical concerns

| | | | |
|---|--|--|---|
| Description of whether and how critical concerns are communicated to the highest governance body | Refer to Business ethics | Refer to Business ethics | FY24 Global Annual Activity and Sustainability report, page 128 |
| Nature of critical concerns that were communicated to the highest governance body during the reporting period | Refer to Business ethics | Refer to Business ethics | FY24 Global Annual Activity and Sustainability report, page 128 |

2-17 Collective knowledge of the highest governance body

| | | | |
|--|--|--|--|
| Measures taken to advance the collective knowledge, skills, and experience of the highest governance body on sustainable development | FY26 Management Proxy Circular | FY25 Management Proxy Circular | FY24 Management Proxy Circular |
|--|--|--|--|

2-18 Evaluation of the performance of the highest governance body

| | | | |
|--|--|--|--|
| Processes for evaluating the performance of the highest governance body in overseeing the management of the organization's impacts on the economy, environment, and people | FY26 Management Proxy Circular | FY25 Management Proxy Circular | FY24 Management Proxy Circular |
|--|--|--|--|



| | FY26 | FY25 | FY24 |
|--|------|------|------|
|--|------|------|------|

GRI 2: General disclosures

3. Governance

2-19 Remuneration policies

| | | | |
|--|--|--|--|
| Remuneration policies for members of the highest governance body and senior executives | FY26 Management Proxy Circular | FY25 Management Proxy Circular | FY24 Management Proxy Circular |
|--|--|--|--|

2-20 Process to determine remuneration

| | | | |
|--|--|--|--|
| Process for designing remuneration policies and for determining remuneration | FY26 Management Proxy Circular | FY25 Management Proxy Circular | FY24 Management Proxy Circular |
|--|--|--|--|

2-21 Annual total compensation ratio

| | | | |
|--|--|-------------------|---|
| Ratio of the annual total compensation for the organization's highest-paid individual to the median annual total compensation for all employees | 62.77 | 63.90 | 51.24 |
| Ratio of the percentage increase in annual total compensation for the organization's highest-paid individual to the median percentage increase in annual total compensation for all employee | 0.90 ¹ | 0.13 ² | 0.88 |
| Report contextual information necessary to understand the data and how the data has been compiled | Data reported is based on our seven most significant countries of operations: Canada, the U.S., the U.K., Germany, Australia, India, and Poland. The current methodology calculates the ratio by dividing the increase of the annual total compensation of the highest-paid individual by the weighted median increase of the annual total compensation of the remaining employee population across these seven countries. | | Data reported is based on our seven most significant countries of operations: Canada, the U.S., U.K., Germany, Australia, India and the United Arab Emirates. |

4. Strategy, policies and practices

2-22 Statement on sustainable development strategy

| | | | |
|---|---|---|--|
| Statement on sustainable development strategy | Refer to A message from our CEO and A message from our CPSO | Refer to Sustainability program | FY24 Global Annual Activity and Sustainability report, page 26 |
|---|---|---|--|

2-23 Policy commitments

| | | | |
|---|--|--|---|
| Policy commitments for responsible business conduct | Refer to Human rights and Business ethics Refer to the management approach for each material topic in this report | Refer to Human rights and Business ethics Refer to the management approach related to each material topic in this report. | FY24 Global Annual Activity and Sustainability report, pages 100 and 128 Refer to the management approach related to each material topic in this report. |
|---|--|--|---|

2-24 Embedding policy commitments

| | | | |
|---|---|---|--|
| Policy commitments for responsible business conduct embedded throughout its activities and business relationships | Refer to Human rights and Business ethics | Refer to Human rights and Business ethics | FY24 Global Annual Activity and Sustainability report, page 100 and page 128 |
|---|---|---|--|

2-25 Processes to remediate negative impacts

| | | | |
|--|---|---|---|
| Mechanisms for identifying and addressing grievances, reports and concerns | Refer to Stakeholder engagement and Business ethics | Refer to Stakeholder engagement and Business ethics | FY24 Global Annual Activity and Sustainability report, page 31 and page 128 |
|--|---|---|---|

2-26 Mechanisms for seeking advice and raising concerns

| | | | |
|--|--|--|---|
| Mechanisms for seeking advice and raising concerns about the organization's business conduct | Refer to Business ethics | Refer to Business ethics | FY24 Global Annual Activity and Sustainability report, page 128 |
|--|--|--|---|

1 The significant change compared to the FY25 ratio of 0.13 is primarily driven by a change in the highest-paid individual. The individual identified in FY25 received a significantly lower compensation increase, making the current year's increase not directly comparable to FY25.
 2 Highest-paid individual increase was significantly lower than the rest of the population and lower than in previous years.

GRI Standards

| FY26 | FY25 | FY24 |
|------|------|------|
|------|------|------|

GRI 2: General disclosures

4. Strategy, policies and practices

2-27 Compliance with laws and regulations

| | | | |
|---|---|---|----------------|
| Total number of instances of non-compliance | 0 | 0 | 1 ¹ |
| Monetary value of fines for instances of non-compliance with laws and regulations | 0 | 0 | 15,625 CAD |

2-28 Membership associations

| | | | |
|--|--|---|--|
| Significant roles in industry, membership and advocacy organizations | Refer to Membership associations in the appendix | Refer to Stakeholder engagement | FY24 Global Annual Activity and Sustainability report, page 37 |
|--|--|---|--|

5. Stakeholder engagement

2-29 Approach to stakeholder engagement

| | | | |
|--|---|---|--|
| Approach to stakeholder engagement, including the categories of stakeholders and their identification, the purpose of engagement, and how meaningful engagement is ensured | Refer to Stakeholder engagement | Refer to Stakeholder engagement | FY24 Global Annual Activity and Sustainability report, page 31 |
|--|---|---|--|

2-30 Collective bargaining agreements

| | | | |
|---|--------------------|-------|-------|
| Percentage of total employees covered by collective bargaining agreements | 15.0% ² | 19.0% | 18.0% |
|---|--------------------|-------|-------|

GRI 3: Material Topics

3-1 Process to determine material topics

| | | | |
|---|---|---|--|
| Actual and potential, negative and positive impacts on the economy, environment and people, including impacts on their human rights | Refer to Sustainability program | Refer to Sustainability program | FY24 Global Annual Activity and Sustainability report, page 26 |
| Stakeholders and experts whose views have informed the process of determining its material topics | Refer to Sustainability program | Refer to Sustainability program | FY24 Global Annual Activity and Sustainability report, page 26 |

3-2 List of material topics

| | | | |
|--|---|---|--|
| List of all the material topics | Refer to Sustainability program | Refer to Materiality matrix and Material topics | FY24 Global Annual Activity and Sustainability report, pages 27-28 |
| Changes to the list of material topics compared to the previous reporting period | Refer to Sustainability program | Refer to Materiality matrix and Material topics | FY24 Global Annual Activity and Sustainability report, pages 27-28 |

Topic-specific disclosures

GRI 201: Economic Performance 2016

201-MT Topic management disclosures

| | | | |
|------------------------------|--|--|--|
| Topic management disclosures | FY26 MD&A and Consolidated Financial Statements , pages 59-113 FY26 Management Proxy Circular | FY25 MD&A and Consolidated Financial Statements , pages 60-119 FY25 Management Proxy Circular | FY24 MD&A and Consolidated Financial Statements , pages 63-113 FY24 Management Proxy Circular |
|------------------------------|--|--|--|

1 On January 8, 2024, CAE USA Inc. received a fine of \$15,625 for violations of the Occupational Safety and Health Act of 1970.

2 There was a decrease in the number of collective bargaining agreements and unionized employees due to the termination of certain military contracts in the U.S.



| | | | |
|--|------|------|------|
| | FY26 | FY25 | FY24 |
|--|------|------|------|

Topic-specific disclosures

GRI 201: Economic Performance 2016

201-1 Direct economic value generated and distributed

| | | | |
|---|--|--|--|
| Revenues (\$M) | FY26 Management's Discussion and Analysis (MD&A) and Consolidated Financial Statements | FY25 Management's Discussion and Analysis (MD&A) and Consolidated Financial Statements | FY24 Management's Discussion and Analysis (MD&A) and Consolidated Financial Statements |
| Operating costs (\$M) | | | |
| Employee wages and benefits (\$M) | | | |
| Payments to providers of capital (\$M) | | | |
| Payments to government (\$M) | | | |
| Equity pick-up (\$M) | | | |
| Other gains (\$M) | | | |
| Gains on remeasurements and impairments of non-financial assets (\$M) | | | |
| Community investments (\$M) | 3.81 | 2.70 | 6.00 |

201-2 Financial implications and other risks and opportunities due to climate change

| | | | |
|--|---|--|--|
| Risks and opportunities posed by climate change that have the potential to generate substantive changes in operations, revenue, or expenditure | FY26 MD&A, page 46 Refer to Climate change mitigation and adaptation | FY25 MD&A, page 47 Refer to Climate change adaptation | FY24 MD&A, page 45 TCFD |
|--|---|--|--|

201-3 Defined benefit plan obligations and other retirement plans¹

| | | | |
|---|--|--|--|
| Estimated value of the plan's liabilities (\$M) | Refer to Note 21 - Employee benefits obligations of the FY26 Management's Discussion and Analysis (MD&A) and Consolidated Financial Statements | Refer to Note 22 - Employee benefits obligations of the FY25 Management's Discussion and Analysis (MD&A) and Consolidated Financial Statements | Refer to Note 20 - Employee benefits obligations of the FY24 Management's Discussion and Analysis (MD&A) and Consolidated Financial Statements |
| Percentage of salary contributed by employee ² | 3% | 3% | 3% |
| Percentage of salary contributed by employer ² | 6% | 6% | 7% |
| Level of participation in retirement plans | 84% | 85% | 84% |

201-4 Financial assistance received from government

| | | | |
|--|---|---|---|
| Funding received from government (\$M) | Refer to Note 27 - Government participation of the FY26 Management's Discussion and Analysis (MD&A) and Consolidated Financial Statements | Refer to Note 28 - Government participation of the FY25 Management's Discussion and Analysis (MD&A) and Consolidated Financial Statements | Refer to Note 26 - Government participation of the FY24 Management's Discussion and Analysis (MD&A) and Consolidated Financial Statements |
|--|---|---|---|

GRI 202: Market Presence 2016

202-MT Topic management disclosures

| | | | |
|------------------------------|--|--|--|
| Topic management disclosures | Refer to Talent management | Refer to Talent management | FY24 Global Annual Activity and Sustainability report, pages 67-77 and pages 89-99 |
|------------------------------|--|--|--|

¹ Percentages of salary contributed by employees and employers are based on Canadian data only.

² The percentage of salary contributed by employee is an average based on the formula defined in the pension plan text.



| | | | |
|--|------|------|------|
| | FY26 | FY25 | FY24 |
|--|------|------|------|

Topic-specific disclosures

GRI 202: Market Presence 2016

202-1 Ratios of standard entry level wage by gender compared to local minimum wage

| | | | |
|--|--|------|------|
| Ratio of standard entry level wage to local minimum wage | 3.11 | 3.15 | 2.98 |
| Absent or variable minimum wage | Variable minimum wage, including minimum wage of Quebec (Canada) and Federal (U.S.). | | |
| Actions taken to determine whether workers are paid above the minimum wage | The minimum salary on our salary structure is higher than the minimum wage in the country. | | |

202-2 Proportion of senior management hired from the local community¹

| | | | |
|---|--|-----|-----|
| Definition used for 'senior management' | Senior management includes the following categories: Director, Vice President, Executive Vice President, Division President, Chief Executive Officer. | | |
| The organization's geographical definition of 'local' | To be considered hired from the local community, an employee must hold citizenship in the country of employment. The definition of "local" therefore varies by hiring country. | | |
| Canada | 98% | 98% | 99% |
| U.S. | 95% | 92% | 91% |
| Other | 74% | 77% | 75% |
| Overall | 94% | 92% | 92% |

GRI 203: Indirect Economic Impacts 2016

203-MT Topic management disclosures

| | | | |
|------------------------------|---|---|--|
| Topic management disclosures | Refer to Education and community engagement | Refer to Education and community engagement | FY24 Global Annual Activity and Sustainability report, pages 114-123 |
|------------------------------|---|---|--|

GRI 204: Procurement Practices 2016

204-MT Topic management disclosures

| | | | |
|------------------------------|--|--|--|
| Topic management disclosures | Refer to Responsible supply chain management | Refer to Responsible supply chain management | FY24 Global Annual Activity and Sustainability report, pages 142-146 |
|------------------------------|--|--|--|

204-1 Proportion of spending on local suppliers

| | | | | |
|---|---------------|-----|-----|-----|
| Percentage of the procurement budget spent on local suppliers | North America | 68% | 60% | 67% |
| | U.S. | 90% | 91% | 85% |
| | Canada | 57% | 45% | 50% |
| | South America | 92% | 91% | 43% |
| | Europe | 70% | 56% | 65% |
| | Asia-Pacific | 89% | 66% | 68% |
| | Australia | 88% | 88% | 84% |
| | Middle East | 75% | 74% | 79% |

GRI 205: Anti-corruption 2016

205-MT Topic management disclosures

| | | | |
|------------------------------|--|--|--|
| Topic management disclosures | Refer to Business ethics | Refer to Business ethics | FY24 Global Annual Activity and Sustainability report, pages 128-132 |
|------------------------------|--|--|--|

¹ Significant locations of operations include Canada and the U.S. Data reported under 'Other' includes all remaining countries, excluding Canada and the U.S.

GRI Standards

| FY26 | FY25 | FY24 |
|------|------|------|
|------|------|------|

Topic-specific disclosures

GRI 205: Anti-corruption 2016

205-1 Operations assessed for risks related to corruption

| | | | |
|--|--|--|--|
| Total number of operations assessed for risks related to corruption | 3 | 3 | 3 |
| Significant risks related to corruption identified through the risk assessment | Refer to FY26 MD&A Business Risk and Uncertainty | Refer to FY25 MD&A Business Risk and Uncertainty | Refer to FY24 MD&A Business Risk and Uncertainty |

205-2 Communication and training about anti-corruption policies and procedures

| | | | |
|---|--------|--------|--------|
| Total number of employees that the organization's anti-corruption policies and procedures have been communicated to | 11,939 | 12,289 | 12,811 |
| Percentage of employees that the organization's anti-corruption policies and procedures have been communicated to | 100% | 100% | 100% |

205-3 Confirmed incidents of corruption and actions taken

| | | | |
|-------------------------------------|---|---|---|
| Total number of confirmed incidents | 0 | 0 | 0 |
|-------------------------------------|---|---|---|

GRI 206: Anti-competitive Behavior 2016

206-MT Topic management disclosures

| | | | |
|------------------------------|--|--|---|
| Topic management disclosures | Refer to Business ethics | Refer to Business ethics | FY24 Global Annual Activity and Sustainability report , pages 128-132 |
|------------------------------|--|--|---|

206-1 Legal actions for anti-competitive behavior, anti-trust, and monopoly practices

| | | | |
|---|-----|-----|-----|
| Number of legal actions regarding anti-competitive behavior and violations of anti-trust and monopoly legislation | 0 | 0 | 0 |
| Main outcomes of completed legal actions, including any decisions or judgements | N/A | N/A | N/A |

GRI 207: Tax 2019

207-4 Country-by-country reporting

| | | | |
|---|---|---|---|
| Corporate income tax paid on a cash basis (\$M) | Refer to Note 23 - Supplementary cash flows information of the FY26 Management's Discussion and Analysis (MD&A) and Consolidated Financial Statements | Refer to Note 24 - Supplementary cash flows information of the FY25 Management's Discussion and Analysis (MD&A) and Consolidated Financial Statements | Refer to Note 22 - Supplementary cash flows information of the FY24 Management's Discussion and Analysis (MD&A) and Consolidated Financial Statements |
|---|---|---|---|

GRI 301: Materials 2016

301-MT Topic management disclosures

| | | | |
|------------------------------|---|---|---|
| Topic management disclosures | Refer to Climate change mitigation and Responsible resource use | Refer to Climate change mitigation - decarbonization and Responsible resource use | FY24 Global Annual Activity and Sustainability report , pages 53-56 and pages 61-63 |
|------------------------------|---|---|---|

GRI 302: Energy 2016

302-MT Topic management disclosures

| | | | |
|------------------------------|---------------------------------|---------------------------------|---|
| Topic management disclosures | Refer to Energy | Refer to Energy | FY24 Global Annual Activity and Sustainability report , pages 51-52 |
|------------------------------|---------------------------------|---------------------------------|---|



| | FY26 | FY25 | FY24 |
|--|------|------|------|
|--|------|------|------|

Topic-specific disclosures

GRI 302: Energy 2016

302-1 Energy consumption within the organization

| | | | |
|--|----------------|---------|---------|
| Total fuel consumption (MWh) | 73,492 | 70,101 | 76,284 |
| Aviation fuel consumption (MWh) | 51,257 | 47,038 | 54,371 |
| Renewable aviation fuel consumption (MWh) | 0 | 0 | 0 |
| Non-renewable aviation fuel consumption (MWh) | 51,257 | 47,038 | 54,371 |
| Total natural gas consumption (MWh) | 16,672 | 17,212 | 16,817 |
| Renewable natural gas consumption (MWh) | 0 | 0 | 0 |
| Non-renewable natural gas consumption (MWh) | 16,672 | 17,212 | 16,817 |
| Total diesel, gasoline, heating oil, propane consumption (MWh) | 5,562 | 5,850 | 5,095 |
| Renewable diesel, gasoline, heating oil, propane consumption (MWh) | 0 | 0 | 0 |
| Non-renewable diesel, gasoline, heating oil, propane consumption (MWh) | 5,562 | 5,850 | 5,095 |
| Total purchased or acquired heat consumption (MWh) | 1,838 | 2,773 | 2,131 |
| Renewable purchased or acquired heat consumption (MWh) | 0 | 0 | 576 |
| Non-renewable purchased or acquired heat consumption (MWh) | 1,838 | 2,773 | 1,555 |
| Total purchased or acquired cooling consumption (MWh) | 9,071 | 8,832 | 8,135 |
| Renewable purchased or acquired cooling consumption (MWh) | 0 | 0 | 0 |
| Non-renewable purchased or acquired cooling consumption (MWh) | 9,071 | 8,832 | 8,135 |
| Total purchased or acquired steam consumption (MWh) | 0 | 0 | 0 |
| Renewable purchased or acquired steam consumption (MWh) | 0 | 0 | 0 |
| Non-renewable purchased or acquired steam consumption (MWh) | 0 | 0 | 0 |
| Self-generated non-fuel renewable energy consumption (MWh) | 0 ¹ | 0 | 16 |
| Total electricity consumption (MWh) | 229,972 | 234,395 | 204,643 |
| Renewable electricity consumption (MWh) | 196,147 | 188,623 | 200,768 |
| Non-renewable electricity consumption (MWh) | 33,825 | 45,773 | 3,874 |
| Grid electricity consumption (MWh) | 229,972 | 234,395 | 204,627 |
| Percentage grid electricity consumption | 73% | 74% | 70% |
| Total energy consumption related to own operations (MWh) | 314,372 | 316,101 | 291,193 |

302-1 Energy consumption within the organization

| | | | |
|---|---------|---------|---------|
| Total amount of energy consumed from renewable energy (MWh) | 196,147 | 188,623 | 201,344 |
| Percentage of energy consumed from renewable energy | 62.4% | 59.7% | 69.1% |

302-2 Energy consumption outside of the organization

| | | | |
|--|--|--|--|
| Energy consumption outside of the organization | CAE is currently calculating partial Scope 3 emissions with a view to expanding the scope of our reporting to cover energy consumption outside of our organization in the coming years. As such, no data is currently available. | | |
|--|--|--|--|

302-3 Energy intensity

| | | | |
|--|-------|-------|-------|
| Energy intensity ratio for the organization (MWh/\$M CAD) ^{1,2} | 63.97 | 67.14 | 68.00 |
|--|-------|-------|-------|

1 Three sites – namely CAE Burgess Hill, CAE New Delhi, and CAE Sydney – benefit from onsite green power generation; however, the associated energy consumption has not been included in the carbon inventory due to the absence of formal renewable energy certificates.

2 Energy intensity includes: natural gas, diesel, heating oil, propane, fuel for aircraft and cars, hot and chilled water and district heating, and grid electricity.



| | | | |
|---------------|------|------|------|
| GRI Standards | FY26 | FY25 | FY24 |
|---------------|------|------|------|

Topic-specific disclosures

GRI 302: Energy 2016

302-4 Reduction of energy consumption

| | | | |
|---------------------------------|---|---|---|
| Reduction of energy consumption | Refer to Energy, Responsible resource use and Climate change mitigation | Refer to Energy and Climate change mitigation - decarbonization | FY24 Global Annual Activity and Sustainability report , pages 51-52 and pages 53-56 |
|---------------------------------|---|---|---|

302-5 Reductions in energy requirements of products and services

| | | | |
|--|---|--|---|
| Reductions in energy requirements of products and services | Refer to Energy, Responsible resource use and Climate change mitigation | Refer to Climate change mitigation - decarbonization | FY24 Global Annual Activity and Sustainability report , pages 53-56 |
|--|---|--|---|

GRI 303: Water and Effluents 2018

303-MT Topic management disclosures

| | | | |
|------------------------------|---|---|---|
| Topic management disclosures | Refer to Responsible resource use | Refer to Responsible resource use | FY24 Global Annual Activity and Sustainability report , page 61 |
|------------------------------|---|---|---|

303-1 Interactions with water as a shared resource

| | | | |
|--|---|---|---|
| Interactions with water as a shared resource | Refer to Responsible resource use | Refer to Responsible resource use | FY24 Global Annual Activity and Sustainability report , page 61 |
|--|---|---|---|

303-2 Management of water discharge-related impacts

| | |
|---|--|
| Description of any minimum standards set for the quality of effluent discharge, and how these minimum standards were determined | CAE complies with mandatory local regulations governing water management and prohibits contaminated water discharge. |
|---|--|

303-3 Water withdrawal

| | | | |
|---|---------|----------------------|---------|
| Total water withdrawn (m ³) | 443,446 | 425,849 ¹ | 361,243 |
|---|---------|----------------------|---------|

GRI 305: Emissions 2016

305-1 Direct (Scope 1) GHG emissions

| | | | |
|--|--|--|--|
| Gross global Scope 1 emissions (t CO ₂ e) | 20,181 <input checked="" type="checkbox"/> | 18,639 ² | 20,900 |
| Gases included in the calculation | CO ₂ , CH ₄ , N ₂ O, HFCs | CO ₂ , CH ₄ , N ₂ O, HFCs | CO ₂ , CH ₄ , N ₂ O, HFCs |
| Source of the emission factors and the global warming potential (GWP) rates used, or a reference to the GWP source | GWP values are sourced from AR6. Scope 1 emission factors are sourced from: - EPA Emission Factors for Greenhouse Gas Inventories (Jan 2025) - U.K. Government GHG Conversion Factors for Company Reporting (Version 1.0, June 2025) | GWP values are sourced from AR6. Scope 1 emission factors are sourced from: - EPA Emission Factors for Greenhouse Gas Inventories (Jan 2025) - U.K. Government GHG Conversion Factors for Company Reporting (Version 2.0., October 2024) | GWP values sourced from AR4. Scope 1 emission factors sourced from: - EPA Emission Factors for Greenhouse Gas Inventories, 2023 - U.K. Government GHG Conversion Factors for Company Reporting, Version 2.0. June 2023 |
| Consolidation approach for emissions | Operational control | Operational control | Operational control |
| Standards, methodologies, assumptions, and/or calculation tools used | CAE has prepared its Scope 1 GHG emissions in accordance with the methodology and guidelines described in the GHG Protocol Corporate Standard. For Scope 1 GHG emissions, when actual natural gas consumptions were not available, CAE estimated the emissions based on the occupancy surface. | | GHG Protocol |
| Base year for the calculation | FY19 | FY19 | FY19 |
| Emissions in the base year | 22,796 | 22,796 | 22,796 |

Indicators marked with a checkbox received external limited assurance for FY26. For further information, please refer to the auditors' report provided in the [Appendix](#).

1 An increase of 17.88% in water consumption was observed this year, driven by several factors: new acquisitions, the transfer of activities from one large facility (Tampa, U.S.) to another resulting in the dual occupancy of buildings for several months, the ramping up of business at new facilities, and a decrease in remote work. Additionally, continuous improvement in our data collection processes have enabled more precise data.

2 The variance between the FY25 restated data and the FY25 historical data (as presented in the [FY25 Global Annual Activity and Sustainability Report](#)) is 4.7%.



| | FY26 | FY25 | FY24 |
|--|------|------|------|
|--|------|------|------|

Topic-specific disclosures

GRI 305: Emissions 2016

305-2 Energy indirect (Scope 2) GHG emissions

| | | | |
|---|--|--|--|
| Indirect GHG Emissions (Scope 2 location-based) (t CO ₂ e) | 64,410 <input checked="" type="checkbox"/> | 65,590 | 57,256 |
| Indirect GHG Emissions (Scope 2 market-based) (t CO ₂ e) | 1,994 <input checked="" type="checkbox"/> | 9,584 ¹ | 3,882 |
| Gases included in the calculation | CO ₂ , CH ₄ , N ₂ O | CO ₂ , CH ₄ , N ₂ O | CO ₂ , CH ₄ , N ₂ O |
| Source of the emission factors and the global warming potential (GWP) rates used, or a reference to the GWP source | <p>GWP values are sourced from AR6. Scope 2 emission factors are sourced from:</p> <ul style="list-style-type: none"> - Australia: National Greenhouse Accounts Factors - 2025 - Brazil: Year 2025 factors from the Brazilian Ministry of Science, Technology, Innovation and Communication - Canada: National Inventory Report 1990- 2023 (Part 3, Annex 13) - European residual mix factors: AIB 2024 - International Energy Agency (IEA), Emissions Factors 2025 database documentation, Chapter 3. - For world countries from electricity and heat generation - India: CO₂ factors from India Central Electricity Authority, Baseline Carbon Dioxide Emission Database, Version 20.0, December 2024 - Quebec: Hydro-Quebec - Residual electricity mix and GHG emission rate (2024) - U.K.: Greenhouse gas reporting: conversion factors 2025 - Uruguay: BEN-Factor de emisión de CO₂ del SIN, Published September 2025 - U.S: EPA 2025 - eGRID2023 (published Jan 2025, revised June 2025) - International Sources (unless noted otherwise): IEA (2025), Emission Factors | <p>GWP values are sourced from AR6. Scope 2 emission factors are sourced from:</p> <ul style="list-style-type: none"> - Australia: National Greenhouse Accounts Factors - 2024 - Brazil: Year 2025 factors from the Brazilian Ministry of Science, Technology, Innovation and Communication - Canada: National Inventory Report 1990- 2023 (Part 3, Annex 13) - European residual mix factors: AIB 2024 - International Energy Agency (IEA), Emissions Factors 2025 database documentation, Chapter 3. - For world countries from electricity and heat generation - India: CO₂ factors from India Central Electricity Authority, Baseline Carbon Dioxide Emission Database, Version 20.0, December 2024 - Quebec: Hydro-Quebec - Residual electricity mix and GHG emission rate (2024) - U.K.: Greenhouse gas reporting: conversion factors 2024 - Uruguay: BEN-Factor de emisión de CO₂ del SIN, Published September 2025 - U.S: EPA 2025 - eGRID2023 (published Jan 2025, revised June 2025) - International Sources (unless noted otherwise): IEA (2025), Emission Factors | <p>GWP values sourced from AR4. Scope 2 emission factors sources:</p> <ul style="list-style-type: none"> - U.S: Year 2023 eGRID Subregion Emission Factors, (Source: eGRID 2023, Published Sept 2023) - Australia National Greenhouse Gas Accounts (NGA) Factors, August 2023. - Brazil: Year 2023 factors from the Brazilian Ministry of Science, Technology, Innovation and Communication. Fator médio-Inventários corporativos: Arquivos dos fatores médios de emissão de CO₂, grid mês/ano. - European residual mix factors: AIB 2022 - Canada: National Inventory Report 1990- 2021, Part 3, Annex 13, Year 2021 Factors. From 2023 Release - India: CO₂ factors from India Central Electricity Authority: Baseline Carbon Dioxide Emission Database, Version 19.0, December 2023. - U.K.: Greenhouse gas reporting: conversion factors 2023. Year 2023 Factors. From June 2023 Release - Uruguay: BEN-Factor de emisión de CO₂ del SIN, Published October 2023. International Sources: IEA (2022), Emission Factors |
| Consolidation approach for emissions | Operational control | Operational control | Operational control |
| Standards, methodologies, assumptions, and/or calculation tools used | CAE has prepared our Scope 2 GHG emissions in accordance with the methodology and guidelines described in the GHG Protocol Corporate Standard and the GHG Protocol Scope 2 Guidance. For Scope 2 GHG emissions, when actual electricity consumptions were not available, CAE estimated the emissions based on the occupancy surface and the activity rate. Regarding the application of the market-based approach, the residual mix was applied where available. Where a residual mix was not available, unadjusted grid-average emission factors were used. | CAE has prepared our Scope 2 GHG emissions in accordance with the methodology and guidelines described in the GHG Protocol Corporate Standard and the GHG Protocol Scope 2 Guidance. For Scope 2 GHG emissions, when actual electricity consumptions were not available, CAE estimated the emissions based on the occupancy surface and the activity rate. | GHG Protocol Corporate Standard GHG Protocol Scope 2 Guidance |
| Base year for the calculation | FY19 | FY19 | FY19 |
| Base year for the calculation, if applicable, including: ii. emissions in the base year | Location-based emissions: 76,796 / Market-based emissions: 71,821 | | |
| Biogenic emissions of CO ₂ from combustion or bio-degradation of biomass not included in Scope 2 GHG emissions (t CO ₂ e) | 0.70 | 5.56 | 4.60 |

305-3 Other indirect (Scope 3) GHG emissions

| | | | |
|---|---|---------|---------|
| 1. Purchased goods and services (t CO ₂ e) | 173,939 | 199,107 | 199,124 |
| 2. Capital goods (t CO ₂ e) | Capital goods emissions are included in Purchased goods and services category. CAE will continue to enhance our scope 3 disclosure over time. | | |
| 3. Fuel- and energy related activities (not included in Scope 1 or Scope 2) (t CO ₂ e) | 19,118 | 19,632 | 17,450 |

Indicators marked with a checkbox received external limited assurance for FY26. For further information, please refer to the auditors' report provided in the [Appendix](#).

¹ The variance between the FY25 restated data and the FY25 historical data (as presented in the [FY25 Global Annual Activity and Sustainability Report](#)) is 128.9%.



| | FY26 | FY25 | FY24 |
|--|------|------|------|
|--|------|------|------|

Topic-specific disclosures

GRI 305: Emissions 2016

305-3 Other indirect (Scope 3) GHG emissions

| | | | |
|--|---|--|--|
| 6. Business travel (t CO ₂ e) | 16,949 | 23,998 | 17,102 |
| 7. Employee commuting (t CO ₂ e) | 27,767 | 21,775 ¹ | 22,537 ¹ |
| 11. Use of sold products (t CO ₂ e) | 114,020 | 115,555 | CAE started reporting on Use of sold products in FY25. No data available for previous fiscal years. |
| 15. Investments (t CO ₂ e) | 4,535 | CAE started reporting on Investments in FY26. No data available for previous fiscal years. | CAE started reporting on Investments in FY26. No data available for previous fiscal years. |
| Measured total other indirect GHG emissions (Scope 3 based-figure) (t CO ₂ e) | 356,328 | 380,067 ² | 256,213 |
| Gases included in the calculation | CO ₂ , CH ₄ , N ₂ O | CO ₂ , CH ₄ , N ₂ O | CO ₂ , CH ₄ , N ₂ O |
| Source of the emission factors and the global warming potential (GWP) rates used, or a reference to the GWP source | <ul style="list-style-type: none"> – GWP are sourced from AR6 when available. – Scope 3 emission factors are sourced as follows: <p>Categories 1 and 2:</p> <ul style="list-style-type: none"> – CDP reported emissions for relevant suppliers – Ecoinvent v3.12 – U.S. EPA EEIO (Supply Chain Greenhouse Gas Emission Factors v1.3) – Other databases used: ClimaIQ, ICAO, IPCC AR5 GWP when AR6 are not provided <p>Categories 3, 6, 7, 11 and 15:</p> <ul style="list-style-type: none"> – Electricity-related emission factors are the same as for Scope 2 emissions – Energy-related emission factors are the same as for Scope 1 emissions – Other databases used: Argonne Labs GREET1_2024 model, Ecoinvent v3.12, eGrid-Data Explorer- Grid gross loss rates | <ul style="list-style-type: none"> – GWP are sourced from AR6 when available. – Scope 3 emission factors are sourced as follows: <p>Categories 1 and 2:</p> <ul style="list-style-type: none"> – CDP reported emissions for relevant suppliers – Ecoinvent v3.12- U.S. EPA EEIO (Supply Chain Greenhouse Gas Emission Factors v1.3) – Other databases used: ClimaIQ, ICAO, IPCC AR5 GWP when AR6 are not provided <p>Categories 3, 6, 7 and 11:</p> <ul style="list-style-type: none"> – Electricity-related emission factors are the same as for Scope 2 emissions – Energy-related emission factors are the same as for Scope 1 emissions – Other databases used: Argonne Labs GREET1_2024 model, Ecoinvent v3.12, eGrid- Data Explorer- Grid gross loss rates | <ul style="list-style-type: none"> – GWPs sourced from AR4 when available. – Scope 3 emission factor sources: <p>Purchased goods and services</p> <ul style="list-style-type: none"> – CDP-reported emissions for relevant suppliers – US EPA EEIO – Ecoinvent <p>Business travel & commuting</p> <ul style="list-style-type: none"> – U.K. Government GHG Conversion Factors for Company Reporting – EPA Emission Factors for Greenhouse Gas Inventories <p>Fuel and energy-related activities</p> <ul style="list-style-type: none"> – Argonne Labs GREET – IEA – Canada National Inventory Report – EPA eGRID – U.K. Government GHG Conversion Factors for Company Reporting – eGrid- Data Explorer- Grid gross loss rates – Ecoinvent – GHGenius |
| Standards, methodologies, assumptions, and/or calculation tools used | CAE has prepared our Scope 3 GHG emissions in accordance with the methodology and guidelines described in the GHG Protocol Corporate Value Chain (Scope 3) Accounting and Reporting Standard. | | |
| Base year for the calculation | FY22 | FY22 | FY22 |
| Base year for the calculation, if applicable, including: ii. emissions in the base year | Categories 1 and 2: 133,737 / Category 3: 17,608 / Other categories part of CAE's Scope 3: N/A | | |

1 As disclosed in GRI 2-4, FY24 and FY25 data have been restated due to a calculation error.

2 CAE extended in FY25 the scope of our carbon emissions inventory to include for the first time the Scope 3 category 'Use of sold products', contributing to the increase between FY24 and FY25.



| GRI Standards | FY26 | FY25 | FY24 |
|---------------|------|------|------|
|---------------|------|------|------|

Topic-specific disclosures

GRI 305: Emissions 2016

305-1,2,3 Total GHG emissions¹

| | | | |
|--|---|----------------------|---------|
| Total Biogenic CO ₂ emissions (t CO ₂ e) | No significant biogenic CO ₂ emissions | | |
| Total GHG emissions (location-based) (t CO ₂ e) | 440,919 | 464,296 ² | 334,369 |
| Total GHG emissions (market-based) (t CO ₂ e) | 378,503 | 408,290 ² | 280,995 |

305-4 GHG emissions intensity

| | | | |
|--|-------|-------|-------|
| GHG emissions intensity (location-based) (t CO ₂ e/\$M CAD) | 17.21 | 17.89 | 18.30 |
| GHG emissions intensity (market-based) (t CO ₂ e/\$M CAD) | 4.51 | 5.99 | 5.80 |

305-5 Reduction of GHG emissions

| | | | |
|-------------------------------|--|--|---|
| Description of the initiative | Refer to Climate change mitigation , Responsible resource use and Energy | Refer to Climate change mitigation - decarbonization , Responsible resource use and Energy | FY24 Global Annual Activity and Sustainability report , pages 47-50 |
|-------------------------------|--|--|---|

305-6 Emissions of ozone-depleting substances (ODS)

| | | | |
|---|---|--|--|
| Production, imports, and exports of ODS | CAE does not consider ODS as a material risk for CAE given the insignificant use of these substances in our operations and initiatives in place to remove ODS from products sourced, used or sold by CAE. | | |
|---|---|--|--|

305-7 Nitrogen oxides (NOx), sulfur oxides (SOx), and other significant air emissions

| | | | |
|--------------------------------------|------|-----|-----|
| NOx (t) | 0.4 | 0.4 | 0.5 |
| Sox (t) | 0 | 0 | 0 |
| Particulate matter (PM) (t) | 0.4 | 0.4 | 0.3 |
| Volatile organic compounds (VOC) (t) | 12.8 | 8.9 | 9.3 |

GRI 306: Waste 2020

306-MT Topic management disclosures

| | | | |
|------------------------------|---|---|---|
| Topic management disclosures | Refer to Responsible resource use | Refer to Responsible resource use | FY24 Global Annual Activity and Sustainability report , pages 61-63 |
|------------------------------|---|---|---|

306-1 Waste generation and significant waste-related impacts

| | | | |
|---|---|---|---|
| The organization's significant actual and potential waste-related impacts | Refer to Responsible resource use | Refer to Responsible resource use | FY24 Global Annual Activity and Sustainability report , page 61 |
|---|---|---|---|

306-3 Waste generated³

| | | | |
|---|----------|---------|---------|
| Amount of hazardous waste generated (t) | 43.46 | 62.6 | 63.6 |
| Amount of non-hazardous waste generated (t) | 1,005.64 | 1,201.4 | 1,112.7 |

306-5 Waste directed to disposal⁴

| | | | |
|--------------------------------|--------------------|------|------|
| Hazardous, Recycled/reused (t) | 26.39 ⁵ | 42.8 | 42.2 |
| Hazardous, Landfilled (t) | 17.07 ⁵ | 19.8 | 23 |

1 We use the market-based approach for Scope 2 to reflect CAE's active decarbonization decisions according to the framework recognized by the GHG Protocol and the SBTi.

2 CAE extended in FY25 the scope of our carbon emissions inventory to include for the first time the Scope 3 category 'Use of sold products', explaining the increase. When excluding the newly measured Scope 3 category, CAE's total GHG emissions remained relatively stable.

3 The reported data is for our Montréal facility only.

4 The reported data is for our Montréal facility only. Hazardous and non-hazardous waste is disposed and recycled with authorized waste disposal companies, in compliance with applicable regulations.

5 The decrease in FY26 hazardous waste disposed is mainly caused by lower volumes of cutting oil, oily absorbents and paint-related solids.



| | FY26 | FY25 | FY24 |
|--|------|------|------|
|--|------|------|------|

Topic-specific disclosures

GRI 306: Waste 2020

306-5 Waste directed to disposal¹

| | | | |
|--|--------|---------|-----|
| Hazardous, Unknown disposal method (t) | 0 | 0 | 0 |
| Non-hazardous, Recycled/reused (t) | 809.29 | 975.1 | N/A |
| Non-hazardous, Landfilled (t) | 196.35 | 226.3 | N/A |
| Non-hazardous, Unknown disposal method (t) | 0 | 0 | 122 |
| Total waste recycled/reused (t) | 835.68 | 1,017.9 | 990 |
| Total waste, Landfilled (t) | 213.42 | 246.2 | 23 |
| Total waste, Unknown disposal method (t) | 0 | 0 | 122 |

GRI 308: Supplier Environmental Assessment 2016

308-MT Topic management disclosures

| | | | |
|------------------------------|--|--|---|
| Topic management disclosures | Refer to Responsible supply chain management | Refer to Responsible supply chain management | FY24 Global Annual Activity and Sustainability report , pages 57-60 and pages 142-147 |
|------------------------------|--|--|---|

308-1 New suppliers that were screened using environmental criteria

| | | | |
|---|-------------------|------|------|
| Number of new supplier screened using environmental criteria ² | 9 | 10 | 13 |
| Percentage of new suppliers that were screened using environmental criteria | 4.0% ³ | 5.0% | 5.7% |

308-2 Negative environmental impacts in the supply chain and actions taken

| | | | |
|--|-----|-----|----|
| Number of suppliers assessed for environmental impacts | 848 | 689 | 90 |
| Number of suppliers identified as having significant actual and potential negative environmental impacts | 0 | 0 | 0 |

GRI 401: Employment 2016

401-MT Topic management disclosures

| | | | |
|------------------------------|--|--|---|
| Topic management disclosures | Refer to Talent management | Refer to Talent management | FY24 Global Annual Activity and Sustainability report , pages 67-77 |
|------------------------------|--|--|---|

401-1 Total new employee hires

| | | | |
|---|--------------------|-------|-------|
| Total number of employee hires | 1,066 ⁴ | 1,456 | 2,050 |
| New employee hire rate (% of total employees) | 8.9% | 11.9% | 15.8% |

- The reported data is for our Montréal facility only. Hazardous and non-hazardous waste is disposed and recycled with authorized waste disposal companies, in compliance with applicable regulations.
- CAE defines "new suppliers" as a supplier with whom CAE signed an agreement for the first time. However, all sourcing transactions above a certain spend threshold include sustainability criteria in the selection process. Based on current supplier spending from CAE headquarters (excludes independent contractors, pilots and instructors), the supply chain sustainability strategy has been fully deployed at CAE headquarters in Montréal and other sites and training centres are in the process of being deployed.
- All new suppliers are included in the population, regardless of spend level. However, not all new suppliers are subject to a formal or extensive RFQ process, which explains the lower percentage reported in FY26. Data covers purchases by the Montréal purchasing organization only.
- As part of CAE's transformation, we are deliberately moderating external recruitment to enhance operational efficiency, simplify our cost structure, and ensure tighter alignment between workforce investments and strategic priorities. This approach emphasizes maximizing internal talent, improving productivity through process and technology, and reinforcing disciplined workforce planning so that incremental hiring is both targeted and directly linked to sustainable value creation.



| | FY26 | FY25 | FY24 |
|--|------|------|------|
|--|------|------|------|

Topic-specific disclosures

GRI 401: Employment 2016

401-1 New employee hires, by age group

| | | | |
|---------------------------|-------|-------|-------|
| Below 30 years old | 311 | 393 | 626 |
| Below 30 years old (Rate) | 29.2% | 27.0% | 30.5% |
| 30-50 years old | 519 | 683 | 1,038 |
| 30-50 years old (Rate) | 48.7% | 46.9% | 50.6% |
| Over 50 years old | 236 | 380 | 386 |
| Over 50 years old (Rate) | 22.1% | 26.1% | 18.3% |

401-1 New employee hires, by gender

| | | | |
|--------------|--------------------|-------|--------------------|
| Women (Rate) | 24.3% ¹ | 22.9% | 24.9% ¹ |
| Men (Rate) | 75.5% | 77.1% | 75.0% |

401-1 New employee hires, by region

| | | | |
|---|-------|-------|--|
| North America | 732 | 1,000 | CAE started reporting on this category in FY25. No data available for previous fiscal years. |
| North America (Rate) | 68.7% | 68.7% | |
| Quebec | 191 | 281 | 464 |
| Quebec (Rate) | 17.9% | 19.3% | 22.6% |
| Rest of Canada | 72 | 74 | 81 |
| Rest of Canada (Rate) | 6.8% | 5.1% | 4.0% |
| U.S. | 467 | 643 | 749 |
| U.S. (Rate) | 43.8% | 44.2% | 36.5% |
| South America | 24 | 27 | 59 |
| South America (Rate) | 2.3% | 1.9% | 2.9% |
| Europe, Middle-East, Africa (EMEA) | 205 | 280 | 475 |
| Europe, Middle-East, Africa (EMEA) (Rate) | 19.2% | 19.2% | 23.2% |
| Asia-Pacific (APAC) | 105 | 149 | 222 |
| Asia-Pacific (APAC) (Rate) | 9.9% | 10.2% | 10.8% |

401-1 Total employee turnover

| | | | |
|-----------------------------|-------|-------|-------|
| Voluntary turnover | 976 | 1,082 | 1,108 |
| Voluntary turnover (Rate) | 8.1% | 8.6% | 8.5% |
| Involuntary turnover | 396 | 1,180 | 941 |
| Involuntary turnover (Rate) | 3.3% | 9.4% | 7.2% |
| Total turnover | 1,372 | 2,262 | 2,049 |
| Total turnover (Rate) | 11.3% | 18% | 15.8% |

¹ Employees categorized as unknown gender represented 0.2% of new hires in FY26.



| | FY26 | FY25 | FY24 |
|--|------|------|------|
|--|------|------|------|

Topic-specific disclosures

GRI 401: Employment 2016

401-1 Employee turnover, by gender¹

| | | | |
|--------------|-------|-------|-------|
| Women | 338 | 575 | 458 |
| Women (Rate) | 12.0% | 19.0% | 15.0% |
| Men | 1,034 | 1,687 | 1,590 |
| Men (Rate) | 11.1% | 17.0% | 16.0% |

401-1 Employee turnover, by age group²

| | | | |
|---------------------------|------|-------|------|
| Below 30 years old | 276 | 437 | 328 |
| Below 30 years old (Rate) | 2.3% | 3.5% | 2.5% |
| 30 - 50 years old | 583 | 1,062 | 955 |
| 30 - 50 years old (Rate) | 4.8% | 8.5% | 7.3% |
| Over 50 years old | 513 | 763 | 766 |
| Over 50 years old (Rate) | 4.2% | 6.1% | 5.9% |

401-1 Employee turnover, by region

| | | | |
|---|-------|-------|--|
| North America | 1,038 | 1,325 | CAE started reporting on this category in FY25. No data available for previous fiscal years. |
| North America (Rate) | 8.6% | 10.6% | |
| Quebec | 317 | 384 | 300 |
| Quebec (Rate) | 2.6% | 3.1% | 2.3% |
| Rest of Canada | 54 | 104 | 98 |
| Rest of Canada (Rate) | 0.5% | 0.8% | 0.8% |
| U.S. | 663 | 834 | 1140 |
| U.S. (Rate) | 5.5% | 6.6% | 8.8% |
| South America | 26 | 37 | 25 |
| South America (Rate) | 0.2% | 0.3% | 0.2% |
| Europe, Middle-East, Africa (EMEA) | 218 | 749 | 328 |
| Europe, Middle-East, Africa (EMEA) (Rate) | 1.8% | 6% | 2.5% |
| Asia-Pacific (APAC) | 90 | 151 | 158 |
| Asia-Pacific (APAC) (Rate) | 0.7% | 1.2% | 1.2% |

1 Denominator is the average number of employees in each gender category in the fiscal year.

2 Denominator is the average number of employees in the fiscal year.



| | | |
|------|------|------|
| FY26 | FY25 | FY24 |
|------|------|------|

Topic-specific disclosures

GRI 401: Employment 2016

401-2 Benefits provided to full-time employees that are not provided to temporary or part-time employees

| | | | |
|--|---|--|------------------------------------|
| Definition used for 'significant locations of operation' | As of FY26, significant locations of operations are defined as countries with more than 4,000 employees. This includes Canada and the U.S. | Our significant locations of operation cover the majority of our workforce (i.e., more than 70%). In our case, this refers to North America (Canada and the U.S.) | Sites with more than 700 employees |
| Benefits which are standard for full-time employees of the organization but are not provided to temporary or part-time employees, by significant locations of operation. | <p>Canada: All our benefits in Canada are offered to regular full-time or part-time employees working at least 20 hours per week. Temporary employees or regular employees working less than 20 hours per week are not entitled to benefits.</p> <p>U.S.: All employees are eligible for 401k. Other benefits are provided in the U.S. to all employees (regardless of type) if they are scheduled to work 30 hours or more per week.</p> | <p>Canada: All our benefits in Canada are offered to regular full-time or part-time employees working at least 20 hours per week. Employees working less than 20 hours per week are not entitled to benefits.</p> <p>U.S.: Benefits are provided in the U.S. to all employees (regardless of type) if they are scheduled to work 30 or more hours per week.</p> <p>U.K.: We offer full-time and part-time employees the same benefits. We also offer temporary employees the same benefits as permanent employees with the exception of the Employee Stock Purchase Plan (ESPP). If the temporary contract is longer than six months, we offer the ESPP.</p> | |

401-3 Employees that were entitled to parental leave, by gender

| | | | |
|-------|-------|-------|-------|
| Women | 2,793 | 2,834 | 3,028 |
| Men | 9,139 | 9,448 | 9,778 |

401-3 Employees that took parental leave, by gender¹

| | | | |
|-------|-----|-----|-----|
| Women | 192 | 198 | 142 |
| Men | 553 | 522 | 555 |

401-3 Employees that returned to work in the reporting period after parental leave ended, by gender

| | | | |
|-------|-----|-----|-----|
| Women | 61 | 64 | 63 |
| Men | 345 | 318 | 354 |

401-3 Employees that returned to work after parental leave ended that were still employed 12 months after their return to work, by gender

| | | | |
|-------|-----|-----|-----|
| Women | 58 | 66 | 59 |
| Men | 276 | 293 | 300 |

401-3 Return to work rates of employees that took parental leave, by gender

| | | | |
|-------|------|------|------|
| Women | 100% | 100% | 100% |
| Men | 100% | 100% | 100% |

401-3 Retention rates of employees that took parental leave, by gender

| | | | |
|-------|------|------|-------|
| Women | 100% | 100% | 98.3% |
| Men | 100% | 100% | 98.7% |

¹ Data reflects the number of parental leave instances taken during the reporting period and not the number of unique employees who took parental leave.



GRI Standards

FY26

FY25

FY24

Topic-specific disclosures

GRI 402: Labor/Management Relations 2016

402-MT Topic management disclosures

| | | | |
|------------------------------|---|--|---|
| Topic Management Disclosures | Refer to Talent management and Human rights | Refer to Talent management | FY24 Global Annual Activity and Sustainability report , pages 67-77 |
|------------------------------|---|--|---|

GRI 403: Occupational Health and Safety 2018

403-MT Topic management disclosures

| | | | |
|------------------------------|--|---|---|
| Topic Management Disclosures | Refer to Global safety | Refer to Occupational Health and Safety | FY24 Global Annual Activity and Sustainability report , pages 78-81 |
|------------------------------|--|---|---|

403-1 Occupational health and safety management system

| | | | |
|---|---|--|--|
| Implementation of occupational health and safety management systems | The management system applies to all employees and other workers who are not employees (including contingent and outsourced workers), across all sites and teams without exception. | | |
|---|---|--|--|

403-2 Hazard identification, risk assessment, and incident investigation

| | | | |
|---|--|---|---|
| Hazard identification, risk assessment and incident investigation | Refer to Global safety | Refer to Occupational Health and Safety | FY24 Global Annual Activity and Sustainability report , pages 78-81 |
| Description of the processes used to identify work-related hazards and assess risks on a routine and non-routine basis | Refer to Global safety | Refer to Occupational Health and Safety | FY24 Global Annual Activity and Sustainability report , pages 78-81 |
| Description of the processes for workers to report work-related hazards and hazardous situations, and an explanation of how workers are protected against reprisals | Refer to Global safety | Refer to Occupational Health and Safety | FY24 Global Annual Activity and Sustainability report , pages 78-81 |
| Description of the policies and processes for workers to remove themselves from work situations that they believe could cause injury or ill health | Refer to Global safety | Refer to Occupational Health and Safety | FY24 Global Annual Activity and Sustainability report , pages 78-81 |
| Description of the processes used to investigate work-related incidents | Refer to Global safety | Refer to Occupational Health and Safety | FY24 Global Annual Activity and Sustainability report , pages 78-81 |

403-3 Occupational health services

| | | | |
|---|--|---|---|
| Description of the occupational health services' functions that contribute to the identification and elimination of hazards and minimization of risks | Refer to Global safety | Refer to Occupational Health and Safety | FY24 Global Annual Activity and Sustainability report , pages 78-81 |
|---|--|---|---|

403-5 Worker training on occupational health and safety

| | | | |
|--|--|---|---|
| Description of any occupational health and safety training provided to workers, including generic training as well as training on specific work-related hazards, hazardous activities, or hazardous situations | Refer to Global safety | Refer to Occupational Health and Safety | FY24 Global Annual Activity and Sustainability report , pages 78-81 |
|--|--|---|---|

403-6 Promotion of worker health

| | | | |
|---|--|--|---|
| Explanation of how the organization facilitates workers' access to non-occupational medical and healthcare services, and the scope of access provided | Refer to Talent management | Refer to Talent management | FY24 Global Annual Activity and Sustainability report , pages 67-77 |
| Description of any voluntary health promotion service and programs offered to workers to address major non-work-related health risks | Refer to Talent management | Refer to Talent management | FY24 Global Annual Activity and Sustainability report , pages 67-77 |



| | | |
|------|------|------|
| FY26 | FY25 | FY24 |
|------|------|------|

Topic-specific disclosures

GRI 403: Occupational Health and Safety 2018

403-7 Prevention and mitigation of occupational health and safety impacts directly linked by business relationships

Description of approach to preventing or mitigating negative occupational health and safety impacts linked to operations, products, or services through business relationships, including related hazards and risks

All contractors whose work is governed by CAE have to follow our EH&S processes.

Refer to [Global safety](#)

Refer to [Occupational Health and Safety](#)

[FY24 Global Annual Activity and Sustainability report](#), pages 78-81

403-8 Workers covered by an occupational health and safety management system

| | | | |
|---------------------|--------|--------|--------|
| Number ¹ | 16,165 | 16,781 | 17,725 |
| Percentage | 100% | 100% | 100% |

Whether and, if so, why any workers have been excluded from this disclosure, including the types of worker excluded

At CAE, all employees and workers who are not employees are covered by the Safety Management System (SMS). The reported figure includes the total number of employees as well as workers who are not employees (contingent workers). As such, it does not align with GRI 2-7 and includes students, temporary/fixed-term and on-call workers, as well as employees on long-term leave. Figures reported for FY24 and FY25 were restated to reflect this scope.

403-9 Work-related injuries²

| | | | |
|---|------|----------------|----------------|
| Fatalities as a result of work-related injury | 0 | 1 | 0 |
| Fatalities as a result of work-related injury (Rate) | 0 | 0.01 | 0 |
| Fatalities as a result of work-related injury (live flight training) | 0 | 1 ³ | 0 |
| Fatalities as a result of work-related injury (live flight training) (Rate) | 0 | 0.01 | 0 |
| Contractor fatalities as a result of work-related injury | 0 | 0 | 1 ³ |
| High-consequence work-related injuries (excluding fatalities) ⁴ | 0 | 1 | 2 |
| High-consequence work-related injuries (excluding fatalities) (Rate) | 0 | 0.01 | 0.01 |
| Recordable work-related injuries | 44 | 49 | 51 |
| Recordable work-related injuries (Rate) | 0.32 | 0.35 | 0.34 |

1 This figure includes the total number of employees as well as workers who are not employees (contingent workers).
 2 Rates have been calculated based on 200,000 hours worked. No workers have been excluded from this disclosure.
 3 Following the incident, a comprehensive review of safety measures and training programs has been conducted for contractors working in airport environments. Contracts have been revised to ensure that rules have been acknowledged, understood and applied at all times.
 4 Incidents resulting in over six months of lost time were thoroughly investigated to identify root causes and corrective measures have been implemented.



| | FY26 | FY25 | FY24 |
|--|------|------|------|
|--|------|------|------|

Topic-specific disclosures

GRI 403: Occupational Health and Safety 2018

403-9 Work-related injuries¹

| Injury types | | | |
|--|---|---|--------------------------------------|
| Falls, slips, trips (%) | 32% | 33% | 24% |
| Ergonomics injuries (%) | 18% | 22% | 14% |
| Hand injuries (%) | 21% | 16% | 27% |
| Struck against (%) | Not reported, as it was not among the top five injury types | Not reported, as it was not among the top five injury types | 8% |
| Eye injuries, foreign body or particle (%) | | | 14% |
| Lacerations, excluding hand lacerations (%) | | 10% | This category does not apply in FY24 |
| Head injuries (%) | 11% | 6% | |
| Other (%) | 18% | 13% | 13% |
| Total number of hours worked by all employees and contractors (h) | 27,865,755 | 28,124,945 | 30,072,181 |
| Number of observations of hazardous situations | 1,845 | 1,390 | 1,201 |
| Rate of observations of hazardous situations (x200,000 hours worked) | 13.24 | 9.88 | 7.99 |

403-10 Work-related ill health

| | | | |
|--|---|---|---|
| Fatalities as a result of work-related ill health | 0 | 0 | 0 |
| Cases as a result of work-related ill health | 0 | 0 | 0 |
| Work-related hazards that pose a risk of ill health, and actions taken or underway to eliminate these hazards and minimize risks | Working with chemicals would represent CAE's main work-related ill-health hazard. However, given the nature our operations, the likelihood of this hazard materializing would be very low. Highlighted hazards are assessed and managed under CAE's existing health and safety programs and procedures. In addition, relevant training is given to employees and only qualified personnel are assigned to these tasks | | |

GRI 404: Training and Education 2016

404-MT Topic management disclosures

| | | | |
|------------------------------|--|--|--|
| Topic management disclosures | Refer to Talent management | Refer to Talent management | FY24 Global Annual Activity and Sustainability report, pages 67-77 |
|------------------------------|--|--|--|

404-1 Average hours of training per year per employee, by gender and by employment category

| | | | |
|--|-------------------|-------------------|---|
| Average number of training hours per employees (h) | 7.01 ² | 5.38 ³ | Calculation methodology was refined in FY25. Refer to the FY24 Global Annual Activity and Sustainability report, page 177 |
| Women (h) | 6.31 | 5.13 | |
| Men (h) | 7.22 | 5.45 | |
| Senior executive (h) | 3.15 | 1.96 | Calculation methodology was refined in FY25. Data not available for previous fiscal years |
| Executive (h) | 4.04 | 3.39 | |
| Director (h) | 4.54 | 3.85 | |
| Manager (h) | 6.85 | 5.23 | |
| Staff (h) | 7.09 | 5.43 | |

- 1 Rates have been calculated based on 200,000 hours worked. No workers have been excluded from this disclosure.
- 2 Training includes both mandatory sessions, such as compliance and safety protocols, and voluntary sessions, allowing employees to enhance their skills and knowledge in areas of personal interest and professional development. In FY26, employees of unknown gender underwent an average of 8.07 hours of training.
- 3 Training includes both mandatory sessions, such as compliance and safety protocols, and voluntary sessions, allowing employees to enhance their skills and knowledge in areas of personal interest and professional development. In FY25, employees of unknown gender underwent an average of 6.11 hours of training.

GRI Standards

| | | |
|------|------|------|
| FY26 | FY25 | FY24 |
|------|------|------|

Topic-specific disclosures

GRI 404: Training and Education 2016

404-2 Programs for upgrading employee skills and transition assistance programs

| | | | |
|---|--|--|--|
| Type and scope of programs implemented and assistance provided to upgrade employee skills | Refer to Talent management | Refer to Talent management | FY24 Global Annual Activity and Sustainability report, pages 67-77 |
| Transition assistance programs provided to facilitate continued employability and the management of career endings resulting from retirement or termination of employment | Refer to Talent management | Refer to Talent management | FY24 Global Annual Activity and Sustainability report, pages 67-77 |

404-3 Employees receiving regular performance and career development reviews by gender and by employment category

| | | | | |
|--|--------|--------|--------|--|
| Total number of employees who receive such review ¹ | 11,634 | 11,818 | 11,641 | CAE refined our calculation methodology in FY25. Data not available for previous fiscal years. |
| Percentage of employees who receive such review (%) | 97.4% | 96.16% | | |
| Women | 2,773 | 2,818 | | |
| Men | 8,855 | 8,995 | | |
| Senior executive | 8 | 10 | | |
| Executive | 43 | 48 | | |
| Director | 188 | 200 | | |
| Manager | 1,587 | 1,572 | | |
| Staff | 9,808 | 9,987 | | |

GRI 405: Diversity and Equal Opportunity 2016

405-MT Topic management disclosures

| | | | |
|------------------------------|--|--|--|
| Topic management disclosures | Refer to Talent management | Refer to Talent management | FY24 Global Annual Activity and Sustainability report, pages 89-99 |
|------------------------------|--|--|--|

405-1 Diversity of governance bodies and employees

| | | | |
|--|-----|-----|------|
| Board age diversity | | | |
| Under 30 years old | 0 | 0 | 0 |
| 30-50 years old | 1 | 1 | 0 |
| 30-50 years old (%) | 8% | 8% | 0% |
| Above 50 years old | 12 | 12 | 13 |
| Above 50 years old (%) | 92% | 92% | 100% |
| Board diversity self-identification | | | |
| Visible minorities | 1 | 1 | 1 |
| Visible minorities (%) | 8% | 8% | 8% |
| Indigenous peoples | 0 | 0 | 0 |
| People with a disability | 0 | 0 | 0 |
| LGBTQ2+ community | 1 | 1 | 1 |
| LGBTQ2+ community (%) | 8% | 8% | 8% |

¹ This data includes all performance reviews, including those for employees who left the organization during the year. In FY25, five employees of unknown gender received a regular performance and career development review and are included in the total.



| | FY26 | FY25 | FY24 |
|--|------|------|------|
|--|------|------|------|

Topic-specific disclosures

GRI 405: Diversity and Equal Opportunity 2016

405-1 Diversity of governance bodies and employees

| Board diversity self-identification | | | | |
|---|------------------------|-------|-------|-------|
| Women | | 5 | 5 | 5 |
| Women (%) | | 38% | 38% | 38% |
| Men | | 8 | 8 | 8 |
| Men (%) | | 62% | 62% | 62% |
| Employees, by employment category, by gender | | | | |
| Senior executive | Women | 3 | 1 | 3 |
| | Women (%) | 23.1% | 12.5% | 27.3% |
| | Men | 10 | 7 | 8 |
| | Men (%) | 76.9% | 87.5% | 72.7% |
| Executive | Women | 10 | 13 | 12 |
| | Women (%) | 26.3% | 32.5% | 25.5% |
| | Men | 28 | 27 | 35 |
| | Men (%) | 73.7% | 67.5% | 74.5% |
| Director | Women | 40 | 41 | 44 |
| | Women (%) | 21.8% | 21.9% | 21.5% |
| | Men | 143 | 146 | 161 |
| | Men (%) | 78.1% | 78.1% | 78.5% |
| Manager | Women | 380 | 375 | 364 |
| | Women (%) | 25.8% | 24.6% | 24.0% |
| | Men | 1,092 | 1,147 | 1,153 |
| | Men (%) | 74.2% | 75.4% | 76.0% |
| Staff | Women | 2,360 | 2,404 | 2,605 |
| | Women (%) | 23.1% | 22.8% | 23.6% |
| | Men | 7,866 | 8,121 | 8,421 |
| | Men (%) | 76.9% | 77.1% | 76.4% |
| Employees, by employment category, by age group | | | | |
| Senior executive | Under 30 years old | 0 | 0 | 0 |
| | Under 30 years old (%) | 0.0% | 0.0% | 0.0% |
| | 30-50 years old | 6 | 2 | 4 |
| | 30-50 years old (%) | 46.1% | 25.0% | 36.4% |
| | Over 50 years old | 7 | 6 | 7 |
| | Over 50 years old (%) | 53.9% | 75.0% | 63.6% |



| | FY26 | FY25 | FY24 |
|--|------|------|------|
|--|------|------|------|

Topic-specific disclosures

GRI 405: Diversity and Equal Opportunity 2016

405-1 Diversity of governance bodies and employees

| Employees, by employment category, by age group | | | | |
|---|------------------------|-------|-------|-------|
| Executive | Under 30 years old | 0 | 0 | 0 |
| | Under 30 years old (%) | 0.0% | 0.0% | 0.0% |
| | 30-50 years old | 20 | 22 | 25 |
| | 30-50 years old (%) | 52.6% | 55.0% | 53.2% |
| | Over 50 years old | 18 | 18 | 22 |
| | Over 50 years old (%) | 47.4% | 45.0% | 46.8% |
| Director | Under 30 years old | 0 | 0 | 0 |
| | Under 30 years old (%) | 0.0% | 0.0% | 0.0% |
| | 30-50 years old | 100 | 107 | 114 |
| | 30-50 years old (%) | 54.6% | 57.2% | 55.6% |
| | Over 50 years old | 83 | 80 | 91 |
| | Over 50 years old (%) | 45.4% | 42.8% | 44.4% |
| Manager | Under 30 years old | 14 | 26 | 34 |
| | Under 30 years old (%) | 1% | 1.7% | 2.2% |
| | 30-50 years old | 879 | 917 | 914 |
| | 30-50 years old (%) | 59.7% | 60.3% | 60.3% |
| | Over 50 years old | 579 | 579 | 569 |
| | Over 50 years old (%) | 39.3% | 38.0% | 37.5% |
| Staff | Under 30 years old | 1,467 | 1,669 | 1,936 |
| | Under 30 years old (%) | 14.3% | 15.9% | 17.6% |
| | 30-50 years old | 5,129 | 5,166 | 5,363 |
| | 30-50 years old (%) | 50.1% | 49.1% | 48.7% |
| | Over 50 years old | 3,637 | 3,697 | 3,732 |
| | Over 50 years old (%) | 35.5% | 35.1% | 33.9% |

405-2 Ratio of basic salary and remuneration of women to men

| | | | | |
|------------------|--------|--|--|-----|
| Senior executive | Canada | 0.56 ¹ | 0.48 ² | 0.3 |
| | U.S. | In FY26, there were no women senior executives in the U.S. | In FY25, there were no women senior executives in the U.S. | 1.2 |
| Executive | Canada | 0.96 (Canada & U.S.) | 0.8 | 0.8 |
| | U.S. | | 0.9 | 0.8 |
| Director | Canada | 0.95 (Canada & U.S.) | 0.93 | 1.0 |
| | U.S. | | 0.97 | 1.0 |

1 Senior executives include the Chief Financial officer and Executive Vice-Presidents. The ratio represents Canadian-based senior executives, as there are no female executives in the U.S. category.

2 Senior executives include the CEO, COO and Executive Vice-Presidents. The CEO, who is a man, has a significant impact on the overall ratio. When excluding the CEO, the ratio increases to 0.9.

GRI Standards

| | | |
|------|------|------|
| FY26 | FY25 | FY24 |
|------|------|------|

Topic-specific disclosures

GRI 405: Diversity and Equal Opportunity 2016

405-2 Ratio of basic salary and remuneration of women to men

| | | | | |
|--|--------|------------------------------------|------|-------------------|
| Manager | Canada | 0.93 <i>(Canada & U.S.)</i> | 0.97 | 0.97 |
| | U.S. | | 0.90 | 0.92 |
| Staff | Canada | 0.95 | 0.96 | 0.94 |
| | U.S. | 0.81 | 0.81 | 0.80 |
| Overall ratio of basic salary and remuneration of women to men | | 0.90 | 0.90 | 0.83 ¹ |

GRI 406: Non-discrimination 2016

406-MT Topic management disclosures

| | | | |
|------------------------------|--|--|---|
| Topic management disclosures | Refer to Talent management, Human rights and Business ethics | Refer to Talent management, Human rights and Business ethics | FY24 Global Annual Activity and Sustainability report, pages 100-103, pages 89-99 and pages 128-132 |
|------------------------------|--|--|---|

406-1 Incidents of discrimination and corrective actions taken

| | | | |
|---|----------------|-----------------|----------------|
| Total number of incidents of discrimination during the reporting period | 6 ² | 11 ³ | 8 ⁴ |
|---|----------------|-----------------|----------------|

GRI 407: Freedom of Association and Collective Bargaining 2016

407-MT Topic management disclosures

| | | | |
|------------------------------|---------------------------------------|---------------------------------------|--|
| Topic management disclosures | Refer to Human rights | Refer to Human rights | FY24 Global Annual Activity and Sustainability report, pages 100-103 |
|------------------------------|---------------------------------------|---------------------------------------|--|

GRI 408: Child Labor 2016

408-MT Topic management disclosures

| | | | |
|------------------------------|---------------------------------------|---------------------------------------|--|
| Topic management disclosures | Refer to Human rights | Refer to Human rights | FY24 Global Annual Activity and Sustainability report, pages 100-103 |
|------------------------------|---------------------------------------|---------------------------------------|--|

GRI 409: Forced or Compulsory Labor 2016

409-MT Topic management disclosures

| | | | |
|------------------------------|---------------------------------------|---------------------------------------|--|
| Topic management disclosures | Refer to Human rights | Refer to Human rights | FY24 Global Annual Activity and Sustainability report, pages 100-103 |
|------------------------------|---------------------------------------|---------------------------------------|--|

GRI 410: Security Practices 2016

410-MT Topic management disclosures

| | | | |
|------------------------------|---------------------------------------|---------------------------------------|--|
| Topic management disclosures | Refer to Human rights | Refer to Human rights | FY24 Global Annual Activity and Sustainability report, pages 100-103 |
|------------------------------|---------------------------------------|---------------------------------------|--|

GRI 411: Rights of Indigenous Peoples 2016

411-MT Topic management disclosures

| | | | |
|------------------------------|---|---|--|
| Topic Management Disclosures | Refer to Education and community engagement | Refer to Education and community engagement | FY24 Global Annual Activity and Sustainability report, pages 89-99 |
|------------------------------|---|---|--|

1 A higher representation of male recruits in Canada, and male-dominated departures in the US, influenced the gender-based remuneration ratios during the reporting period.
 2 In FY26, CAE handled 119 whistleblowing reports, of which 6 contained allegations of discrimination and equal opportunity matters.
 3 In FY25, CAE handled 27 whistleblowing reports, of which 11 contained allegations of discrimination and/or harassment.
 4 In FY24, CAE handled 32 whistleblowing reports, of which eight contained allegations of discrimination and/or harassment.



GRI Standards

| FY26 | FY25 | FY24 |
|------|------|------|
|------|------|------|

Topic-specific disclosures

GRI 411: Rights of Indigenous Peoples 2016

411-1 Incidents of violations involving rights of indigenous Peoples

| | | | |
|---|---|---|---|
| Total number of identified incidents of violations involving the rights of indigenous Peoples during the reporting period | 0 | 0 | 0 |
|---|---|---|---|

GRI 413: Local Communities 2016

413-MT Topic management disclosures

| | | | |
|------------------------------|---|---|---|
| Topic management disclosures | Refer to Education and community engagement | Refer to Education and community engagement | FY24 Global Annual Activity and Sustainability report , pages 114-123 |
|------------------------------|---|---|---|

GRI 414: Supplier Social Assessment 2016

414-MT Topic management disclosures

| | | | |
|------------------------------|--|--|---|
| Topic management disclosures | Refer to Business ethics | Refer to Responsible supply chain management | FY24 Global Annual Activity and Sustainability report , pages 142-147 |
|------------------------------|--|--|---|

414-1 New suppliers that were screened using social criteria

| | | | |
|--|----------------|----|---|
| Number of new supplier screened using social criteria | 8 ¹ | 10 | 13 |
| Percentage of new suppliers that were screened using social criteria | 3% | 5% | Data not available for previous fiscal years. |

414-2 Negative social impacts in the supply chain and actions taken²

| | | | |
|---|--|---|---|
| Number of suppliers assessed for social impacts | 848 | 689 | 90 |
| Number of suppliers identified as having significant actual and potential negative social impacts | 1 | 0 | 1 |
| Significant actual and potential negative social impacts identified in the supply chain | Identification of potential negative human rights impact | There were no negative social impacts identified in the supply chain in FY25. | One supplier flagged for human rights violation. |
| Type of action taken | The supplier and associated potential negative impact were assessed through internal governance processes and are subject to ongoing monitoring as part of CAE's human rights due diligence. For more information about human rights due diligence at CAE, refer to Human rights | N/A | FY24 Global Annual Activity and Sustainability report , pages 100-103 |

GRI 415: Public Policy 2016

415-MT Topic management disclosures

| | | | |
|------------------------------|--|--|---|
| Topic management disclosures | Refer to Business ethics | Refer to Business ethics | FY24 Global Annual Activity and Sustainability report , pages 128-132 |
|------------------------------|--|--|---|

415-1 Political contributions

| | | | |
|--|---|---|---|
| Total monetary value of direct political contributions | 0 | 0 | 0 |
|--|---|---|---|

1 All new suppliers are included in the population, regardless of spend level. However, not all new suppliers are subject to a formal or extensive RFQ process, which explains the lower percentage reported in FY26. Data covers purchases by the Montréal purchasing organization only.
 2 This data excludes spend and suppliers from CAE USA.



| | | | |
|--|------|------|------|
| | FY26 | FY25 | FY24 |
|--|------|------|------|

Topic-specific disclosures

GRI 416: Customer Health and Safety 2016

416-MT Topic management disclosures

| | | | |
|------------------------------|--|---|--|
| Topic management disclosures | Refer to Global safety | Refer to Occupational Health and Safety | FY24 Global Annual Activity and Sustainability report, pages 78-81 |
|------------------------------|--|---|--|

416-2 Incidents of non-compliance concerning the health and safety impacts of products and services

| | |
|---|--|
| Total number of incidents of non-compliance | We have not identified any non-compliance with regulations and/or voluntary codes. |
|---|--|

CUS 001 Flight safety - Civil

| | | | |
|---|--|--|--|
| Rate of voluntary reports per 10,000 flight hours ¹ | 123 | 96.2 ² | 64 |
| Rate of Category A and B incidents per 10,000 flight hours ¹ | 0.16 | 0.17 | 3 ³ |
| Acceptable Level of Safety Performance (ALoSP) for ab initio training centres (%) | 65% | 44% ⁴ | 82% |
| Acceptable Level of Safety Performance (ALoSP) for non ab initio training centres (%) | 67% | 71% | 75% |
| Explanation | Refer to Global safety | Refer to Aviation safety | FY24 Global Annual Activity and Sustainability report, pages 82-86 |

CUS 002 Flight safety - Defense & Security

| | | | |
|--|-----|------|------|
| Rate of voluntary reports per 10,000 flight hours | 102 | 64 | 46 |
| Rate of Category A and B incidents per 10,000 flight hours | 0 | 0.11 | 0.11 |

GRI 417: Marketing and Labeling 2016

417-2 Incidents of non-compliance concerning product and service information and labelling

| | | | |
|---|--|---|---|
| Incidents of non-compliance with voluntary codes | 0 | 0 | 0 |
| Incidents of non-compliance with regulations resulting in a fine or penalty | 0 | 0 | 0 |
| Incidents of non-compliance with regulations resulting in a warning | 0 | 0 | 0 |
| Total number of incidents of non-compliance | 0 | 0 | 0 |
| If the organization has not identified any non-compliance with regulations and/or voluntary codes, a brief statement of this fact is sufficient | We have not identified any non-compliance with regulations and/or voluntary codes. | | |

417-3 Incidents of non-compliance concerning marketing communications

| | | | |
|---|---|---|---|
| Incidents of non-compliance with voluntary codes | 0 | 0 | 0 |
| Incidents of non-compliance with regulations resulting in a fine or penalty | 0 | 0 | 0 |
| Incidents of non-compliance with regulations resulting in a warning | 0 | 0 | 0 |
| Total number of incidents | 0 | 0 | 0 |

1 Title updated to reflect 'rate' rather than 'number' to emphasize the metric's normalization per 10,000 flight hours.
 2 In FY25, the inclusion of maintenance voluntary safety reporting accounts for the increase.
 3 In Civil, CAE recorded 0 Category A accidents and 3 Category B incidents. Accordingly, these incidents will be among the key focal points for the Operational and Safety Management teams, with a keen focus on runway excursion rates.
 4 KPIs behind target for the year due to a combination of significant risk events and continued business and organizational changes in our European operations.



| | | |
|------|------|------|
| FY26 | FY25 | FY24 |
|------|------|------|

Topic-specific disclosures

GRI 417: Marketing and Labeling 2016

417-3 Incidents of non-compliance concerning marketing communications

| | |
|---|--|
| Incidents of non-compliance concerning marketing communications | We have not identified any non-compliance with regulations and/or voluntary codes. |
|---|--|

GRI 418: Customer Privacy 2016

418-MT Topic management disclosures

| | | | |
|------------------------------|---|---------------------------------------|---|
| Topic management disclosures | Refer to Data privacy and cybersecurity | Refer to Data privacy | FY24 Global Annual Activity and Sustainability report , pages 128-132 |
|------------------------------|---|---------------------------------------|---|

418-1 Substantiated complaints concerning breaches of customer privacy and losses of customer data

| | |
|--|---|
| Complaints received from outside parties and substantiated by the organization | No substantiated complaints have been identified. |
|--|---|

GRI 2-28 Membership associations

- Aéro Montréal, Quebec's aerospace cluster
- ARINC
- Australian Institute of Company Directors (AICD)
- Australian Industry Group (Ai Group): Member of Defence Executive Counsel
- Australian Industry Defence Network (AIDN)
- Australian Naval Institute (ANI)
- Aerospace Industries Associations of Canada (AIAC)
- Air Transport Association of Canada (ATAC)
- Business + Higher Education Roundtable (BHER)
- Business Council of Canada (BCC)
- Canadian Association of Defence & Security Industries (CADSI)
- Canadian Chamber of Commerce in Hungary
- Canadian Global Affairs Institute (CGAI)
- Canadian American Business Council (CABC)
- Canadian Mobility and Aerospace Institute (CMAI)
- Canada-Greece Chamber of Commerce
- Centre for Advanced Research and Training in Aerospace, Mobility and Space (CARTAMS)
- Canadian Aeronautics and Space Institute (CASI)
- Canadian Advanced Air Mobility consortium
- Canadian Manufacturers & Exporters
- Confiance IA
- Civil Air Navigation Services Organization (CANSO)
- Chamber of Commerce of Metropolitan Montréal
- Comité sectoriel de main- d'œuvre en aérospatiale du Québec (CAMAQ)
- Defence Employer Partnering Network (DEPN)
- European Business Aviation Association (EBAA)
- European Union Aviation Safety Agency (EASA)
- Federal Aviation Administration
- Fédération des chambres de commerce du Québec
- Flight Simulator Engineering and Maintenance Committee (FSEMC) - International category
- General Aviation Manufacturers Association (GAMA)
- German Aerospace Industries Association (BDLI)
- Helicopter Association International (HAI)
- International Air Transport Association (IATA)
- Initiative for Sustainable Aviation Technology (INSAT)
- International Business Aviation Council (IBAC)
- NAV Canada
- National Business Aviation Association (NBAA)
- National Training and Simulation Association (NTSA)
- New Zealand Defence Industry Association (NZDIA)
- Open Geospatial Consortium (OGC)
- Project Management Institute (PMI): Engineers Australia
- Regional Airlines Association (RAA)
- Royal Aeronautical Society (RAS)
- Scale AI – Institute for Data Valorization (IVADO)
- Sir Richard Williams Foundation
- The Coalition for Greener Aircraft
- The Consortium for Research and Innovation in Aerospace in Quebec (CRIAQ)
- The American Institute of Aeronautics and Astronautics (AIAA)
- The Vertical Flight Society (VFS)
- The Wings Club
- Women in Defence and Security Association (WIDS)
- Writer's Trust of Canada

SASB Index

| | | FY26 | FY25 | FY24 |
|-----------------------------------|---|---|---|---|
| Environment | | | | |
| Energy Management | | | | |
| SASB RT-AE-130a.1 | 1. Total energy consumed (GJ) | 1,131,741 | 1,137,964 | 1,048,295 |
| | 2. Percentage grid electricity | 73% | 74% | 70% |
| | 3. Percentage renewable | 62.4% | 59.7% | 69.1% |
| Hazardous Waste Management | | | | |
| SASB RT-AE-150a.1 | Amount of hazardous waste generated, percentage recycled ¹ | | | |
| | Percentage recycled of hazardous waste generated (%) | 61% ² | 68.4% | 66.4% |
| | Amount of hazardous waste generated (t) | 43.5 | 62.6 | 63.6 |
| SASB RT-AE-150a.2 | Number and aggregate quantity of reportable spills, quantity recovered | | | |
| | Number of reportable spills | No reportable spills | | |
| Social Capital | | | | |
| Data Security | | | | |
| SASB RT-AE-230a.1 | Number of data breaches involving customer confidential information | 1 ³ | 0 | 2 ³ |
| | Description of approach to identifying and addressing data security risks | Refer to Data privacy and cybersecurity | CAE has multiple guidelines, policies and standards that address the various controls and process (including risk management) to address data protection. | |
| SASB RT-AE-230a.2 | Description of approach to identifying and addressing data security risks in (1) entity operations and (2) products | Refer to Data privacy and cybersecurity | Refer to Data privacy | FY24 Global Annual Activity and Sustainability report , pages 133-136 |
| SASB SV-PS-230a.2 | Description of policies and practices relating to collection, usage, and retention of customer information | Refer to Data privacy and cybersecurity | Refer to Data privacy | FY24 Global Annual Activity and Sustainability report , pages 133-136 |
| SASB SV-PS-230a.3 | Number of data breaches involving customer confidential information | 1 ³ | 0 | 2 ⁴ |
| Product Safety | | | | |
| SASB RT-AE-250a.1 | Number of recalls issued, total units recalled | | | |
| | Description of notable recalls, such as those that affected a significant amount of product or those related to serious illness or fatality | Not reported. This metric does not apply because CAE is not an aircraft manufacturer; we measure our product safety performance using custom aviation flight safety metrics — see the GRI 403-9 and SASB RT-AE-250a.3 . | | |

¹ The reported data is for our Montréal facility only.

² The decrease in FY26 hazardous waste disposed is mainly caused by lower volumes of cutting oil, oily absorbents and paint-related solids.

³ All cybersecurity incidents and data breaches are handled as per our Cybersecurity and Privacy Incident Response Plans. All CAE employees are required to report cybersecurity incidents and data breaches as soon as they are discovered, whether they are suspected or confirmed. Once discovered, immediate steps must be taken to contain a cybersecurity incident or data breach. Prompt actions must also be taken to comply with applicable data breach reporting obligations under law or under our contracts with customers.

| | FY26 | FY25 | FY24 |
|--|------|------|------|
|--|------|------|------|

Social Capital

Product Safety

| SASB RT-AE-250a.2 | Number of counterfeit parts detected, percentage avoided | | |
|---|--|---|---|
| Number of counterfeit parts detected ¹ | 0 | 0 | 0 |

| SASB RT-AE-250a.3 | Number of Airworthiness Directives received ² , total units affected | | |
|---|---|--|--|
| Number of Airworthiness Directives received - Civil | 6 | 9 | 1 |
| Total units affected - Civil | 50 | 172 | 11 |
| Number of Airworthiness Directives received - D&S | 2 | 3 | 1 |
| Total units affected - D&S | 21 | 6 | 4 |
| Number of Airworthiness Directives received - Total | 8 | 12 | 2 |
| Total units affected - Total | 71 | 178 | 15 |
| Explanation | Refer to Global safety | For civil, the increase is due to ongoing OEM changes and updates to aircraft. | No AD's were raised that were of significant impact, and there were no incidents/accidents as a result of the AD's |

| SASB RT-AE-250a.4 | Total amount of monetary losses as a result of legal proceedings associated with product safety | | |
|---|---|---|---|
| Total amount of monetary losses as a result of legal proceedings associated with product safety | 0 | 0 | 0 |

Human Capital

Workforce Diversity & Engagement

| SASB SV-PS-330a.2 | Voluntary and involuntary turnover rate for employees | | |
|---|---|------|------|
| Involuntary turnover rate for employees | 3.3% | 9.4% | 7.2% |
| Voluntary turnover rate for employees | 8.1% | 8.6% | 8.5% |

| SASB SV-PS-330a.3 | Employee engagement | | |
|---|--|--|-----|
| Employee engagement | 80% | 77% | 77% |
| Description of the methodology employed | The Peakon Employee Voice Survey measures employee engagement through core drivers and sub-drivers. The engagement score is calculated by averaging employee responses to four questions covering belief, loyalty, satisfaction and advocacy, and then aggregating individual scores into an overall result. The score reflects employees' commitment, enthusiasm and overall experience at CAE. | Each Officevibe question is related to one of the 10 Key Metrics of Employee Engagement, relationship with manager, ambassadorship, personal growth, recognition, satisfaction, relationship with peers, alignment, happiness, feedback and wellness. The 10 metrics are subdivided into 26 Sub-Metrics. Scores which are weighted averages are derived from the Sub-metrics and eNPS. The average is representative of each employee's answers to the survey. | |

1 CAE procures from a manufacturer/OEM and/or from an authorized distributor. If the part is not available or obsolete, components purchased from the aftermarket are always sent to a test house approved by CAE for counterfeit testing to ensure CAE is using non-counterfeit parts.
 2 All Airworthiness Directives received were complied with, as required by regulation.

| | FY26 | FY25 | FY24 |
|--|------|------|------|
|--|------|------|------|

Business Model & Innovation

Fuel Economy & Emissions in Use-phase

| | | | | |
|-------------------|---|---|--|---|
| SASB RT-AE-410a.1 | Revenue from alternative energy-related products | | | |
| | Revenue from alternative energy-related products | 0 | 0 | 0 |
| SASB RT-AE-410a.2 | Description of approach and discussion of strategy to address fuel economy and greenhouse gas (GHG) emissions of products | | | |
| | Description of approach and discussion of strategy to address fuel economy and greenhouse gas (GHG) emissions of products | Refer to Climate change mitigation and Energy | Refer to Climate change mitigation - decarbonization, Carbon impact and Energy | FY24 Global Annual Activity and Sustainability report , pages 44-56 |

Materials Sourcing

| | | | | |
|-------------------|--|---|--|--|
| SASB RT-AE-440a.1 | Description of the management of risks associated with the use of critical materials | | | |
| | Description of the management of risks associated with the use of critical materials | CAE's Conflict Minerals Policy governs how we handle risks associated with critical materials management. CAE does not use large amounts of critical materials in our operations and therefore does not consider this as a high risk issue for the organization. Refer to Suppliers at cae.com/suppliers | | |

Leadership & Governance

Business Ethics

| | | | | |
|-------------------|---|--|--|---|
| SASB RT-AE-510a.1 | Total amount of monetary losses as a result of legal proceedings associated with incidents of corruption, bribery, and/or illicit international trade | | | |
| | Total amount of monetary losses as a result of legal proceedings associated with incidents of corruption, bribery, and/or illicit international trade | 0 | 0 | 0 |
| SASB RT-AE-510a.2 | Revenue from countries ranked in the "E" or "F" Band of Transparency International's Government Defence Anti-Corruption Index | | | |
| | Revenue from countries ranked in the "E" or "F" Band of Transparency International's Government Defence Anti-Corruption Index ¹ | \$480,394,190 | \$439,562,382 | \$302,822,623 ² |
| SASB RT-AE-510a.3 | Discussion of processes to manage business ethics risks throughout the value chain | | | |
| | Discussion of processes to manage business ethics risks throughout the value chain | Refer to Business ethics, Human rights and Responsible supply chain management | Refer to Business ethics, Human rights and Responsible supply chain management | FY24 Global Annual Activity and Sustainability report , pages 128-132 |

Professional Integrity

| | | | | |
|-------------------|--|--|--|---|
| SASB SV-PS-510a.1 | Description of approach to ensuring professional integrity | | | |
| | Description of approach to ensuring professional integrity | Refer to Business ethics | Refer to Business ethics | FY24 Global Annual Activity and Sustainability report , pages 128-132 |

1 CAE's list of countries is based on the Transparency International's Government Defence Anti-Corruption Index. Revenues are attributed to geographical regions based on the location of customers. For products and software this is based on where the customer is located and for training services this is based on the location of the training centre or device.
 2 The financial data reported for FY24 has been restated to reflect the alignment with the list of countries provided by the Transparency International's Government Defence Anti-Corruption Index. Please also note that Healthcare revenue has been restated due to the completion of the sale of CAE Inc.'s Healthcare business on February 16, 2024.

| | FY26 | FY25 | FY24 |
|--|------|------|------|
|--|------|------|------|

Leadership & Governance

Professional Integrity

| SASB SV-PS-510a.2 | Total amount of monetary losses as a result of legal proceedings associated with professional integrity | | |
|---------------------------------|---|---|---|
| Total amount of monetary losses | 0 | 0 | 0 |

Activity Metrics

| SASB RT-AE-000.A | Production by reportable segment | | |
|--|----------------------------------|-----------|-----------|
| Number of Full-Flight Simulators delivered | FY26 MD&A | FY25 MD&A | FY24 MD&A |

| SASB RT-AE-000.B / SASB SV-PS-000.A | Number of employees by: full-time and part-time | | |
|-------------------------------------|---|--------|--------|
| Total number of employees | 11,939 | 12,289 | 12,811 |
| Full-time | 11,600 | 11,959 | 12,497 |
| Part-time | 339 | 330 | 314 |

| SASB SV-PS-000.B | Employee and worker hours worked ¹ | | |
|---|---|------------|------------|
| Total number of hours worked by all employees and workers (h) | 27,865,755 | 28,124,945 | 30,072,181 |



¹ Hours worked include employees, contingent workers, and other contractors directly supervised or managed by CAE.

Non-IFRS and other financial measure definitions

This report includes non-IFRS financial measures, non-IFRS ratios, capital management measures and supplementary financial measures. These measures are not standardized financial measures prescribed under IFRS and therefore should not be confused with, or used as an alternative for, performance measures calculated according to IFRS. Furthermore, these measures should not be compared with similarly titled measures provided or used by other issuers. Management believes that these measures provide additional insight into our operating performance and trends and facilitate comparisons across reporting periods.

A non-IFRS financial measure is a financial measure that depicts our financial performance, financial position, or cash flow and either excludes an amount that is included in or includes an amount that is excluded from the composition of the most directly comparable financial measures disclosed in our financial statements.

A non-IFRS ratio is a financial measure disclosed in the form of a ratio, fraction, percentage, or similar representation, that has a non-IFRS financial measure as one or more of its components.

A total of segments measure is a financial measure that is a subtotal or total of two or more reportable segments and is disclosed within the notes to our consolidated financial statements, but not in our primary financial statements.

A capital management measure is a financial measure intended to enable an individual to evaluate our objectives, policies and processes for managing our capital and is disclosed within the notes to our consolidated financial statements, but not in our primary financial statements.

A supplementary financial measure is a financial measure that depicts our historical or expected future financial performance, financial position or cash flow and is not disclosed within our primary financial statements, nor does it meet the definition of any of the above measures.

Certain non-IFRS and other financial measures are provided on a consolidated basis and separately for each of our segments (Civil Aviation and Defense and Security) since we analyze their results and performance separately.

Changes to Non-IFRS measures

In the fourth quarter of fiscal 2026, we revised the composition and designation of certain non-IFRS measures to align with strategic priorities and enhance comparability with industry peers.

– Free cash flow was revised to include growth capital expenditures and capitalized development costs and exclude dividends paid;

– Adjusted return on invested capital (ROIC) replaced adjusted return on capital employed (ROCE); and

– Invested capital replaced capital employed, without changing the composition of this measure.

Comparative figures have been reclassified to conform to these changes.

Performance measures

Gross profit margin (or gross profit as a% of revenue)

Gross profit margin is a supplementary financial measure calculated by dividing our gross profit by revenue for a given period. We track it because we believe it provides an enhanced understanding of our operating performance and facilitates the comparison across reporting periods.

Operating income margin (or operating income as a% of revenue)

Operating income margin is a supplementary financial measure calculated by dividing our operating income by revenue for a given period. We track it because we believe it provides an enhanced understanding of our operating performance and facilitates the comparison across reporting periods. ►

Adjusted segment operating income or loss

Adjusted segment operating income or loss is a non-IFRS financial measure that gives us an indication of the profitability of each segment because it does not include the impact of any items not specifically related to the segment's performance. We calculate adjusted segment operating income by taking operating income and adjusting for restructuring, integration and acquisition costs, and impairments and other gains and losses arising from significant strategic transactions or specific events. Impairments and other gains and losses arising from significant strategic transactions or specific events consist of the executive management transition costs (as described in Section 5.4 of the [FY26 MD&A](#) and Section 5.6 of the MD&A for the year ended March 31, 2025), the gain on fair value remeasurement of SIMCOM (as described in Note 7 of our consolidated financial statements for the year ended March 31, 2025), the shareholder matters (as described in Section 5.5 of the MD&A for the year ended March 31, 2025), the impairment of goodwill (as described in Note 14 of our consolidated financial statements for the year ended March 31, 2024) and the impairment of technology and other non-financial assets (as described in Note 5 of our consolidated financial statements for the year ended March 31, 2024). We track adjusted segment operating income because we believe it provides an enhanced understanding of our operating performance and facilitates the comparison across reporting periods. Adjusted segment operating income on a consolidated basis is a total of segments measure since it is the profitability measure employed by management for making decisions about allocating resources to segments and assessing segment performance. Refer to Section 11.3 "Non-IFRS measure reconciliations" of the [FY26 MD&A](#) for a reconciliation of this measure to the most directly comparable measure under IFRS.

Adjusted segment operating income margin *(or adjusted segment operating income as a % of revenue)*

Adjusted segment operating income margin is a non-IFRS ratio calculated by dividing our adjusted segment operating income by revenue for a given period. We track it because we believe it provides an enhanced understanding of our operating performance and facilitates the comparison across reporting periods.

Adjusted effective tax rate

Adjusted effective tax rate is a supplementary financial measure that represents the effective tax rate on adjusted net income or loss. It is calculated by dividing our income tax expense by our earnings before income taxes, adjusting for the same items used to determine adjusted net income or loss. We track it because we believe it provides an enhanced understanding of the impact of changes in income tax rates and the mix of income on our operating performance and facilitates the comparison across reporting periods. Refer to Section 11.3 "Non-IFRS measure reconciliations" of the [FY26 MD&A](#) for a calculation of this measure.

Adjusted net income or loss

Adjusted net income or loss is a non-IFRS financial measure we use as an alternate view of our operating results. We calculate it by taking our net income attributable to equity holders of the Company from continuing operations and adjusting for restructuring, integration and acquisition costs, and impairments and other gains and losses arising from significant strategic transactions or specific events, after tax, as well as significant one-time tax items. Impairments and other gains and losses arising from significant strategic transactions or specific events consist of the executive management transition costs (as described in Section 5.4 of the [FY26 MD&A](#) and Section 5.6 of the MD&A for the year ended March 31, 2025), the gain on fair value remeasurement of SIMCOM (as described in Note 7 of our consolidated financial statements for the year ended March 31, 2025), the shareholder matters (as described in Section 5.5 of the MD&A for the year ended March 31, 2025), the impairment of goodwill (as described in Note 14 of our consolidated financial statements for the year ended March 31, 2024) and the impairment of technology and other non-financial assets (as described in Note 5 of our consolidated financial statements for the year ended March 31, 2024). We track adjusted net income because we believe it provides an enhanced understanding of our operating performance and facilitates the comparison across reporting periods. Refer to Section 11.3 "Non-IFRS measure reconciliations" of the [FY26 MD&A](#) for a reconciliation of this measure to the most directly comparable measure under IFRS. ►

Adjusted earnings or loss per share (EPS)

Adjusted earnings or loss per share is a non-IFRS ratio calculated by dividing adjusted net income or loss by the weighted average number of diluted shares. We track it because we believe it provides an enhanced understanding of our operating performance on a per share basis and facilitates the comparison across reporting periods. Refer to Section 11.3 “Non-IFRS measure reconciliations” of the [FY26 MD&A](#) for a calculation of this measure.

EBITDA and Adjusted EBITDA

EBITDA is a non-IFRS financial measure which comprises net income or loss from continuing operations before income taxes, finance expense – net, depreciation and amortization. Adjusted EBITDA further adjusts for restructuring, integration and acquisition costs, and impairments and other gains and losses arising from significant strategic transactions or specific events. Impairments and other gains and losses arising from significant strategic transactions or specific events consist of the executive management transition costs (as described in Section 5.4 of the [FY26 MD&A](#) and Section 5.6 of the MD&A for the year ended March 31, 2025), the gain on fair value remeasurement of SIMCOM (as described in Note 7 of our consolidated financial statements for the year ended March 31, 2025), the shareholder matters (as described in Section 5.5 of the MD&A for the year ended March 31, 2025), the impairment of goodwill (as described in Note 14 of our consolidated financial statements for the year ended March 31, 2024) and the impairment of technology and other non-financial assets (as described in Note 5 of our consolidated financial statements for the year ended March 31, 2024). We use EBITDA and adjusted EBITDA to evaluate our operating performance, by eliminating the impact of non-operational or non-cash items. Refer to Section 11.3 “Non-IFRS measure reconciliations” of the [FY26 MD&A](#) for a reconciliation of these measures to the most directly comparable measure under IFRS.

Free cash flow

Free cash flow is a non-IFRS financial measure that assesses our ability to generate cash from our ongoing operations after considering ongoing investments required for property, plant and equipment and intangible assets. It demonstrates our ability to generate cash to repay debt obligations, make strategic investments and return cash to shareholders through either dividends or share repurchases. We use it as an indicator of our financial strength and liquidity. We calculate it by taking the net cash generated by our continuing operating activities, subtracting property, plant and equipment expenditures, intangible assets expenditures and other investing activities and adding proceeds from the disposal of property, plant and equipment, dividends received from equity accounted investees and proceeds, net of payments, from equity accounted investees. Refer to Section 7.1 “Consolidated cash movements” of the [FY26 MD&A](#) for a reconciliation of this measure to the most directly comparable measure under IFRS.

Liquidity and capital structure measures

Non-cash working capital

Non-cash working capital is a non-IFRS financial measure we use to monitor how much money we have committed in the day-to-day operation of our business. We calculate it by taking current assets (not including cash and cash equivalents and assets held for sale) and subtracting current liabilities (not including the current portion of long-term debt and liabilities held for sale). Refer to Section 8.1 “Consolidated invested capital” of the [FY26 MD&A](#) for a reconciliation of this measure to the most directly comparable measure under IFRS. ▶



Invested capital

Invested capital is a non-IFRS financial measure we use to evaluate and monitor how much we are investing in our business:

- For the Company as a whole, we take total assets (not including cash and cash equivalents), and subtract total liabilities (not including long-term debt and the current portion of long-term debt);
- For each segment, we take the total assets (not including cash and cash equivalents, tax accounts, employee benefits assets and other non-operating assets), and subtract total liabilities (not including tax accounts, long-term debt and the current portion of long-term debt, royalty obligations, employee benefit obligations and other non-operating liabilities).

Refer to Section 8.1 “Consolidated invested capital” of the [FY26 MD&A](#) for a reconciliation of this measure to the most directly comparable measure under IFRS.

Adjusted return on capital employed (ROCE)

Adjusted ROIC is a non-IFRS ratio calculated over a rolling four-quarter period by taking adjusted net operating income after tax, divided by the average invested capital from continuing operations. Adjusted net operating income after tax is calculated by taking adjusted net income and further adjusting for finance expense – net, after tax, and amortization of acquired intangible assets, after tax. We use adjusted ROIC to evaluate the profitability of our invested capital. Refer to Section 11.3 “Non-IFRS measure reconciliations” of the [FY26 MD&A](#) for a calculation of this measure.

Net debt

Net debt is a capital management measure we use to monitor how much debt we have after taking into account cash and cash equivalents. We use it as an indicator of our overall financial position, and calculate it by taking our total long-term debt, including the current portion of long-term debt, and subtracting cash and cash equivalents. Refer to Section 8.1 “Consolidated invested capital” of the [FY26 MD&A](#) for a reconciliation of this measure to the most directly comparable measure under IFRS.

Net debt-to-capital

Net debt-to-capital is a capital management measure calculated as net debt divided by the sum of total equity plus net debt. We use this to manage our capital structure and monitor our capital allocation priorities.

Net debt-to-EBITDA and net debt-to-adjusted EBITDA

Net debt-to-EBITDA and net debt-to-adjusted EBITDA are non-IFRS ratios calculated as net debt divided by the last twelve months EBITDA (or adjusted EBITDA). We use net debt-to-EBITDA and net debt-to-adjusted EBITDA because they reflect our ability to service our debt obligations. Refer to Section 11.3 “Non-IFRS measure reconciliations” of the [FY26 MD&A](#) for a calculation of these measures.

Maintenance and growth capital expenditures

Maintenance capital expenditure is a supplementary financial measure we use to calculate the investment needed to sustain the current level of economic activity.

Growth capital expenditure is a supplementary financial measure we use to calculate the investment needed to increase the current level of economic activity.

The sum of maintenance capital expenditures and growth capital expenditures represents our total property, plant and equipment expenditures. ■



Growth measures

Adjusted order intake

Adjusted order intake is a supplementary financial measure that represents the expected value of orders we have received:

- For the Civil Aviation segment, we consider an item part of our adjusted order intake when we have a legally binding commercial agreement with a client that includes enough detail about each party's obligations to form the basis for a contract. Additionally, expected future revenues from customers under short-term and long-term training contracts are included when these customers commit to pay us training fees, or when we reasonably expect the revenue to be generated;
- For the Defense and Security segment, we consider an item part of our adjusted order intake when we have a legally binding commercial agreement with a client that includes enough detail about each party's obligations to form the basis for a contract. Defense and Security contracts are usually executed over a long-term period but some of them must be renewed each year. For this segment, we only include a contract item in adjusted order intake when the customer has authorized the contract item and has received funding for it.

Adjusted backlog

Adjusted backlog is a supplementary financial measure that represents expected future revenues and includes obligated backlog, joint venture backlog and unfunded backlog and options:

- Obligated backlog represents the value of our adjusted order intake not yet executed and is calculated by adding the adjusted order intake of the current period to the balance of the obligated backlog at the end of the previous fiscal year, subtracting the revenue recognized in the current period and adding or subtracting backlog adjustments. If the amount of an order already recognized in a previous fiscal year is modified, the backlog is revised through adjustments;
- Joint venture backlog is obligated backlog that represents the expected value of our share of orders that our joint ventures have received but have not yet executed. Joint venture backlog is determined on the same basis as obligated backlog described above, but excludes any portion of orders that have been directly subcontracted to a CAE subsidiary, which are already reflected in the determination of obligated backlog;
- Unfunded backlog represents legally binding Defense and Security orders with the U.S. government that we have received but have not yet executed and for which funding authorization has not yet been obtained. The uncertainty relates to the timing of the funding authorization, which is influenced by the government's budget cycle, based on a September year-end. Options are included in adjusted backlog when there is a high probability of being exercised, which we define as at least 80% probable, but multi-award indefinite-delivery/indefinite-quantity (ID/IQ) contracts are excluded. When an option is exercised, it is considered adjusted order intake in that period, and it is removed from unfunded backlog and options.

Book-to-sales ratio

The book-to-sales ratio is a supplementary financial measure calculated by dividing adjusted order intake by revenue in a given period. We use it to monitor the level of future growth of the business over time.



Supplementary non-financial information definitions

Full-flight simulators (FFSs) in CAE's network

A FFS is a full-size replica of a specific make, model and series of an aircraft cockpit, including a motion system. In our count of FFSs in the network, we generally only include FFSs that are of the highest fidelity and do not include any fixed based training devices, or other lower-level devices, as these are typically used in addition to FFSs in the same approved training programs.

Simulator equivalent unit (SEU)

SEU is a measure we use to show the total average number of FFSs available to generate earnings during the period. For example, in the case of a 50/50 flight training joint venture, we will report only 50% of the FFSs under this joint venture as a SEU. If a FFS is being powered down and relocated, it will not be included as a SEU until the FFS is re-installed and available to generate earnings.

Utilization rate

Utilization rate is a measure we use to assess the performance of our Civil simulator training network. While utilization rate does not perfectly correlate to revenue recognized, we track it, together with other measures, because we believe it is an indicator of our operating performance. We calculate it by taking the number of training hours sold on our simulators during the period divided by the practical training capacity available for the same period.



Caution regarding forward-looking statements

This report includes forward-looking statements about our activities, events and developments that we expect to or anticipate may occur in the future including, for example, statements about our vision, strategies, market trends and outlook, future revenues, earnings, cash flow growth, profit trends, growth capital spending, expansions and new initiatives, including initiatives that pertain to sustainability matters, financial obligations, available liquidities, expected sales, general economic and political outlook, inflation trends, prospects and trends of an industry, expected annual recurring cost savings from operational excellence programs, our management of the supply chain, estimated addressable markets, demands for CAE's products and services, our access to capital resources, our financial position, the expected accretion in various financial metrics, the expected capital returns to shareholders, our business outlook, business opportunities, objectives, development, plans, growth strategies and other strategic priorities, our competitive and leadership position in our markets, the expansion of our market shares, CAE's ability and preparedness to respond to demand for new technologies, the sustainability of our operations, our ability to retire the Legacy Contracts (as defined in Section 6.2 "Defense and Security" of the [FY26 MD&A](#)) as expected and to manage and mitigate the risks associated therewith, the impact of the retirement of the Legacy Contracts and other statements that are not historical facts. Since forward-looking statements and information relate to future events or future performance and reflect current expectations or beliefs regarding future events, they are typically identified by words such as "anticipate", "believe", "could", "estimate", "expect", "intend", "likely", "may", "plan", "seek", "should", "will", "strategy", "future" or the negative thereof or other variations thereon suggesting future outcomes or statements regarding an outlook. All such statements constitute "forward-looking statements" within the meaning of applicable Canadian securities legislation and "forward-looking statements" within the meaning of the "safe harbor" provisions of the United States Private Securities Litigation Reform Act of 1995. By their nature, forward-looking statements require us to make assumptions and are subject to inherent risks and uncertainties associated with our business which may cause actual results in future periods to differ materially from results indicated in forward-looking statements. While these statements are based on management's expectations and assumptions regarding historical trends, current conditions and expected future developments, as well as other factors that we believe are reasonable and appropriate in the circumstances, readers are cautioned not to place undue reliance on these forward-looking statements as there is a risk that they may not be accurate.

Important risks that could cause such differences include, but are not limited to, strategic risks, such as geopolitical uncertainty, transformation plan implementation, global economic conditions, competitive business environment, original equipment manufacturer (OEM) encroachment, inflation, international scope of our business, changes in U.S. trade policies or regulations, level and timing of defence spending, constraints within the civil aviation industry, our ability to penetrate new markets, research and development (R&D) activities, evolving standards and technology innovation and disruption, length of sales cycle, business development and awarding of new contracts, strategic partnerships and long-term contracts, our ability to effectively manage our growth, estimates of market opportunity and competing priorities; operational risks, such as supply chain disruptions, program management and execution, mergers, acquisitions and divestitures, business continuity, subcontractors, fixed price and long-term supply contracts, our continued reliance on certain parties and information, and global safety and governance; cybersecurity risks; talent risks, such as recruitment, development and retention, ability to attract, recruit and retain key personnel and management, corporate culture and labour relations; financial risks, such as availability of capital, customer credit risk, foreign exchange, effectiveness of internal controls over financial reporting, liquidity risk, interest rate volatility, shareholder activism, returns to shareholders, estimates used in accounting, impairment risk, pension plan funding, indebtedness, restructuring, integration and acquisition costs, sales of additional common shares, market price and volatility of our common shares, seasonality, taxation matters and adjusted backlog; legal and compliance risks, such as data rights and governance, U.S. foreign ownership, control or influence mitigation measures, compliance with laws and regulations, insurance coverage potential gaps, product-related liabilities, environmental laws and regulations, government audits and investigations, protection of our intellectual property and brand, third-party intellectual property, foreign private issuer status, and enforceability of civil liabilities against our directors and officers; sustainability risks, such as extreme climate events and the impact of natural or other disasters (including effects of climate change) and sustainability commitments and expectations; reputational risks; technological risks, such as information technology (IT) and reliance on third-party providers for information technology systems and infrastructure management; and data and artificial intelligence risks.

The foregoing list is not exhaustive and other unknown or unpredictable factors could also have a material adverse effect on the performance or results of CAE. Additionally, differences could arise because of events announced or completed after the date of the [FY26 MD&A](#). ►

Readers are cautioned that any of the disclosed risks could have a material adverse effect on CAE's forward-looking statements. Readers are also cautioned that the risks described above and elsewhere in this report are not necessarily the only ones we face; additional risks and uncertainties that are presently unknown to us or that we may currently deem immaterial may adversely affect our business.

Except as required by law, we disclaim any intention or obligation to update or revise any forward-looking statements whether as a result of new information, future events or otherwise. The forward-looking information and statements contained in this report are expressly qualified by this cautionary statement.

In addition, statements that "we believe" and similar statements reflect our beliefs and opinions on the relevant subject. These statements are based on information available to us as of the date of this report. While we believe that information provides a reasonable basis for these statements, that information may be limited or incomplete. Our statements should not be read to indicate that we have conducted an exhaustive inquiry into, or review of, all relevant information. These statements are inherently uncertain, and investors are cautioned not to unduly rely on these statements.

Material assumptions

The forward-looking statements set out in this report are based on certain assumptions including, without limitation: the prevailing market conditions, geopolitical instability including the ongoing military conflicts in the Middle East and the rapidly evolving trade and tariff environment, the customer receptivity to our training and operational support solutions, the accuracy of our estimates of addressable markets and market opportunity, the realization of anticipated annual recurring cost savings and other intended benefits from restructuring initiatives, transformation plans or operational excellence programs, the ability to respond to anticipated inflationary pressures and our ability to pass along rising costs through increased prices, the actual impact to supply, production levels, and costs from global supply chain logistics challenges, the stability of foreign exchange rates, the ability to hedge exposures to fluctuations in interest rates and foreign exchange rates, the availability of borrowings to be drawn down under, and the utilization, of one or more of our senior credit agreements, our available liquidity from cash and cash equivalents, undrawn amounts on our revolving credit facility, the balance available under our receivable purchase facility, the assumption that our cash flows from operations and continued access to debt funding will be sufficient to meet financial requirements in the foreseeable future, access to expected capital resources within anticipated timeframes, no material financial, operational or competitive consequences from changes in regulations affecting our business, our ability to retain and attract new business, our ability to effectively execute and retire the remaining Legacy Contracts while managing the risks associated therewith, our ability to effectively execute on the opportunities identified as part of our transformation plan to simplify our structure, sharpen our focus and strengthen execution, and the realization of the expected strategic, financial and other benefits of our multi-year transformation plan in the timeframe anticipated and at expected cost levels. Air travel is a major driver for CAE's business and management relies on analysis from the International Air Transport Association (IATA) to inform its assumptions about the rate and profile of growth in its key civil aviation market. Accordingly, the assumptions outlined in this report and, consequently, the forward-looking statements based on such assumptions, may turn out to be inaccurate. For additional information, including with respect to other assumptions underlying the forward-looking statements made in this report, refer to Section 9 "Business risk and uncertainty" of the [FY26 MD&A](#), available on our website (cae.com), SEDAR+ (SEDARplus.ca) and EDGAR (sec.gov), which section is incorporated into this report by this reference. ■



Independent practitioner’s limited assurance report on selected key performance indicators as presented in CAE Inc. Global Annual Activity and Sustainability Report

To the Board of Directors of CAE Inc.

We have undertaken a limited assurance engagement of selected key performance indicators (the subject matter), outlined in Appendix A, that are part of the greenhouse gas (GHG) statement of CAE Inc. (CAE) presented in the Global Annual Activity and Sustainability Report, for the year ended March 31, 2026.

Responsibility for the subject matter

Management is responsible for the preparation of the subject matter in accordance with the Greenhouse Gas Protocol – *A Corporate Accounting and Reporting Standard (revised edition)* (the applicable criteria). CAE is also responsible for the design, implementation and maintenance of internal control relevant to the preparation of the subject matter that is free from material misstatement, whether due to fraud or error.

Inherent limitations in preparing the subject matter

Non-financial data is subject to more limitations than financial data, given both the nature and the methods used for determining, calculating, sampling or estimating such data. Qualitative interpretations of relevance, materiality and the accuracy of data are subject to individual assumptions and judgments.

Greenhouse gas emissions quantification is subject to inherent uncertainty because of incomplete scientific knowledge used to determine emissions factors and the values needed to combine emissions of different gases.

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PwC refers to PricewaterhouseCoopers LLP, an Ontario limited liability partnership.

Our independence and quality management

We have complied with independence and other ethical requirements of the International Code of Ethics for Professional Accountants (including International Independence Standards) issued by the International Ethics Standards Board for Accountants (IESBA Code) and of the relevant rules of professional conduct / code of ethics applicable to the practice of public accounting and related to assurance engagements, issued by various professional accounting bodies, which are founded on fundamental principles of integrity, objectivity, professional competence and due care, confidentiality and professional behaviour.

The firm applies Canadian Standard on Quality Management 1, *Quality Management for Firms that Perform Audits or Reviews of Financial Statements, or Other Assurance or Related Services Engagements*, which requires the firm to design, implement and operate a system of quality management, including policies or procedures regarding compliance with ethical requirements, professional standards and applicable legal and regulatory requirements.

Practitioner's responsibilities

Our responsibility is to express a limited assurance conclusion on the subject matter based on the procedures we have performed and the evidence we have obtained. We conducted our limited assurance engagement in accordance with Canadian Standard on Assurance Engagements (CSAE) 3410, *Assurance Engagements on Greenhouse Gas Statements* issued by the Auditing and Assurance Standards Board and International Standard on Assurance Engagements 3410, *Assurance Engagements on Greenhouse Gas Statements* (ISAE 3410), issued by the International Auditing and Assurance Standards Board.

These standards require that we plan and perform this engagement to obtain limited assurance about whether the subject matter is free from material misstatement.

A limited assurance engagement undertaken in accordance with CSAE 3410 and ISAE 3410 involves assessing the suitability in the circumstances of CAE's use of the applicable criteria as the basis for the preparation of the subject matter, assessing the risks of material misstatement of the subject matter whether due to fraud or error, responding to the assessed risks as necessary in the circumstances and evaluating the overall presentation of the subject matter. A limited assurance engagement is substantially less in scope than a reasonable assurance engagement in relation to both the risk assessment procedures, including an understanding of internal control, and the procedures performed in response to the assessed risks.

The procedures we performed were based on our professional judgment and included inquiries, observation of processes performed, inspection of documents, analytical procedures, evaluating the appropriateness of quantification methods and reporting policies and agreeing or reconciling with underlying records.

Given the circumstances of the engagement, in performing the procedures listed above we:

- obtained an understanding of the process for collecting and reporting the data included in the subject matter by:
 - conducting interviews with personnel involved in the preparation of the subject matter;
 - gaining an understanding of the methodologies applied to the subject matter in order to ensure consistency and reliability in the reported data; and
 - gaining an understanding of controls in place to ensure the accuracy and the completeness of the data from which the subject matter is derived;
- evaluated whether all material information identified by management has been considered for reporting on the subject matter;
- performed inquiries of relevant personnel and analytical procedures on selected information in the subject matter;
- performed substantive assurance procedures on selected information in the subject matter;
- evaluated the appropriateness of quantification methods and reporting policies;
- evaluated the methods, assumptions and data for developing estimates;
- performed procedures as to whether the Energy Attributes Certificates were acquired, applied and retired. We have not, however, performed any procedures regarding the underlying certification of these Energy Attributes Certificates; and
- reviewed the subject matter disclosures in the Global Annual Activity and Sustainability Report to ensure consistency with our understanding and procedures performed.

The procedures performed in a limited assurance engagement vary in nature and timing from, and are less in extent than for, a reasonable assurance engagement. Consequently, the level of assurance obtained in a limited assurance engagement is substantially lower than the assurance that would have been obtained had we performed a reasonable assurance engagement. Accordingly, we do not express a reasonable assurance opinion about whether CAE's subject matter has been prepared, in all material respects, in accordance with the applicable criteria.

Limited assurance conclusion

Based on the procedures we have performed and the evidence we have obtained, nothing has come to our attention that causes us to believe that CAE's subject matter for the year ended March 31, 2026 is not prepared, in all material respects, in accordance with the applicable criteria.

Other matter

The comparative subject matter of CAE for the years ended March 31, 2024 and 2025 was not subject to an assurance engagement. Our conclusion is not modified in respect of this matter.

Restriction on use

Our report has been prepared solely for the Board of Directors of CAE for the purpose of assisting management of CAE with reporting on the selected key performance indicators. The subject matter therefore may not be suitable, and is not to be used, for any other purpose. Our report is intended solely for CAE.

We make no representations or warranties of any kind to any third party in respect of this report.

/s/PricewaterhouseCoopers LLP

Partnership of Chartered Professional Accountants

Montréal, Quebec

June 18, 2026

Appendix A

Selected key performance indicators and applicable criteria

| Key Performance Indicators | Applicable Criteria | FY26 Results | Page # in the FY26 Global Annual Activity and Sustainability Report |
|--|--|--------------|---|
| Scope 1 GHG emissions (Tonnes CO₂e) | The principles and requirements of the Greenhouse Gas Protocol: A Corporate Accounting and Reporting Standard (Revised Edition). | 20,181 | 52 and 140 |
| Scope 2 GHG emissions (location-based) (Tonnes CO₂e) | The principles and requirements of the Greenhouse Gas Protocol: A Corporate Accounting and Reporting Standard (Revised Edition). | 64,410 | 52 and 141 |
| Scope 2 GHG emissions (market-based) (Tonnes CO₂e) | The principles and requirements of the Greenhouse Gas Protocol: A Corporate Accounting and Reporting Standard (Revised Edition). | 1,994 | 53 and 141 |

FISCAL YEAR 2026

Global Annual Activity and Sustainability Report

CAE.COM