

SECTION 32: HUMAN RIGHTS POLICY	Issued: May 13, 2025
	Supersedes: May 18, 2022

1.0 **Introduction**

We consider the respect of human rights to be a fundamental corporate responsibility and a value governing all our activities. We place the highest importance on respecting human rights in the conduct of our business activities everywhere we operate. We expect the same from our suppliers and business partners.

CAE is a signatory of the United Nations Global Compact since 2016. As a signatory, we are committed to actively upholding – through our strategies and across our operations – its ten fundamental principles in the areas of human rights, labour, environment and anti-corruption. We are also committed to following the core and social standards of the International Labour Organization (ILO) as well as all laws and regulations applicable to where we conduct business.

How we act on this commitment is outlined in our various policies and codes, including our:

- Anti-Corruption Policy
- Business Partners Policy
- Code of Business Conduct
- Conflict Minerals Policy
- Global Data Privacy Policy
- Global Environment, Health and Safety Policy
- Inclusive Workplace and Equal Opportunities Policy
- Internal Reporting/Whistleblowing
- Supplier and Business Partner Code of Conduct

Many of these policies are publicly available at:

<https://www.cae.com/sustainability/responsible-business-conduct>.

2.0 **Purpose**

The purpose of this policy is to reaffirm our commitment to the internationally recognized United Nations Universal Declaration of Human Rights and to support adherence to the Declaration's principles with all means at our disposal, with a view to continuously improving our governance and risk processes with respect to human rights.

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3.0 **Responsibility**

A. Governance Committee and Sustainability Committee

The Board of Directors, through its Governance Committee, and the internal Sustainability Committee⁵, chaired by the Chief People and Sustainability Officer (CPSO), have overall responsibility for the application of this policy.

B. Human Rights Task Force

A Human Rights Task Force has been established to implement this Policy and to oversee the processes for the identification, assessment, management, monitoring and reporting of human rights risks throughout our value chain, including within our operations, as well as our upstream and downstream activities (e.g., business partners, suppliers). The Human Rights Task Force is composed of representatives of the Sustainability Strategy and Reporting, Global Ethics and Compliance, and Global Procurement and Supply Management (GPSM) teams, amongst others.

C. Sustainability Strategy and Reporting

Reporting to the CPSO, the Sustainability Strategy and Reporting team is responsible for integrating sustainable practices into our operations and long-term planning, including implementing initiatives to address human rights issues in collaboration with other functions such as Human Resources, Health and Safety, GPSM/local procurement teams, Global Ethics and Compliance, Enterprise Risk Management and Global Communications.

D. Human Resources

Reporting to the CPSO, the Human Resources team is responsible for the implementation of personnel controls and measures supporting the commitments and principles set forth in this Policy, CAE's Code of Business Conduct and related HR policies.

E. Health & Safety

Reporting to the CPSO, the Health & Safety team is responsible for establishing programs and standards and achieving related targets with the aim of promoting a safe and secure work environment for our employees, contractors and customers, in compliance with this Policy and related policies, including the Global Environment, Health and Safety Policy.

F. Global Procurement and Supply Management and Local Procurement

The Global Procurement and Supply Management (GPSM) group and local procurement

⁵ The Sustainability Committee oversees the identification, management and reporting of the company's most significant sustainability impacts, risks and opportunities and monitors industry trends to identify and manage sustainability-related risks and opportunities. Chaired by the CPSO, the internal Sustainability Committee includes members of the EMC and representation from CAE's business units and from all functions having ownership of direct or indirect sustainability risks and opportunities.

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teams are responsible for implementing processes to identify, assess and manage third-party risks throughout the supply chain, including human rights risks, and will foster adherence by suppliers (vendors, service providers and contractors) to the commitments and principles set forth in this Policy and CAE's Supplier and Business Partner Code of Conduct.

G. Global Ethics and Compliance

The Global Ethics and Compliance Office is responsible for overseeing the implementation of compliance processes to ensure adherence to this Policy and related policies.

H. All Employees

All managers and employees at all levels are expected to comply with, and promote the commitments and principles set forth in this Policy and related policies.

4.0 Commitments

In support of these commitments, we uphold the following principles and expect all employees at all levels, as well as our suppliers and business partners, to act accordingly.

A. Child Labour

We do not support and will not engage in the use of child labour at any of our operations. We also forbid ourselves from using suppliers and business partners that use child or forced labour in their operations. The term "child" refers to any person under the legal employment age in the country where the work is performed, on the additional condition that this legal age complies with the provisions established by ILO.

B. Modern Slavery and Human Trafficking, including Forced, Bonded or Indentured Labour

We are committed to complying with all applicable laws and regulations prohibiting modern slavery and human trafficking (including forced or compulsory labour). We are dedicated to protecting our people and our value chain partners from any form of modern slavery and human trafficking by promoting our core values. We consider that all work should be voluntary on the part of our employees and those who work for our suppliers and business partners.

C. Respect, Dignity and Equality

We are committed to treating all employees fairly, ethically, respectfully, and with dignity. We strive to protect our employees from harassment, bullying and victimization in the workplace, including all forms of physical, psychological, sexual, and verbal harassment, as well as all other forms of abusive behaviour.

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We employ a diverse workforce and offer equal employment opportunities without regard to any distinctions based on any personal trait. No one at CAE may be unfairly treated, discriminated against, harassed, excluded, or given preferential treatment on account of characteristics such as age, race, religion, colour, ethnicity, national origin, disability, sexual orientation, gender, gender identity, gender expression or marital status.

D. Working Hours

We are committed to complying with applicable legal provisions regarding maximum working hours in the jurisdictions where we operate.

E. Health & Safety

We are dedicated to providing a safe working environment and to encouraging safe behaviours in all of our facilities and operations. We ensure the health, safety and welfare of our employees and others who may be affected by our activities. We work to protect our employees and contractors from occupational illness and work-related accidents, and to promote their health and well-being in compliance with our Health and Safety Policies and Procedures.

F. Social Dialogue and Freedom of Association

We guarantee our employees' right to unionize and to communicate freely with their managers about working conditions without fear of harassment, intimidation, sanctions, pressure or reprisals. We also recognize and respect workers' right to free association through affiliation or non-affiliation with an association of their choice.

5.0 Implementation

A. Risk assessment process

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.

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B. Awareness Training

CAE employees are required to follow training on the contents and importance of the Code of Business Conduct and related policies, including this Policy.

We also undertake to provide awareness training on human rights, modern slavery and human trafficking on a periodic basis to certain employees in high-risk areas (including those involved in our supply chain) and the managers of our business units.

C. Working with Third Parties (Suppliers and Business Partners)

All suppliers and business partners are expected to adhere to business principles and values similar to our own and to comply with all applicable laws and regulations. A Supplier and Business Partner Code of Conduct has been implemented, which sets forth the minimum ethical standards that suppliers and business partners must follow when working with us. Further, we should always conduct proper risk-based due diligence on third parties (including suppliers and business partners) before the start of any contractual relationship with them. To the extent that human rights issues have been identified as part of the due diligence process, reasonable measures should be implemented to mitigate risks. It is the responsibility of each CAE employee who requests or recommends the engagement of a third-party to ensure that proper due diligence has been performed. To initiate the due diligence process, please contact GPSM or your local procurement team if the contractual relationship contemplated is with a new supplier. Please contact Global Ethics and Compliance if the contractual relationship contemplated is with a new business partner.

D. Special Requirements Applicable for U.S. Government Contracts

To the extent that CAE acts as a contractor or subcontractor on a United States government contract subject to the Federal Acquisition Regulation (“FAR”) 52.222-50, the Anti-Trafficking Compliance Plan and Policy attached in Appendix A must be followed.

6.0 Grievance Mechanism

If anyone, including employees, customers, suppliers, business partners or other third parties, has questions, needs guidance or has grounds to believe a violation has occurred or is about to occur, they have many resources available. Please refer to CAE’s Code of Business Conduct and/or CAE’s Internal Reporting/Whistleblowing Policy for details.

No retaliatory action will be taken against anyone who, in good faith, reports a suspected breach of this Policy or any related policies, inquires about a potential breach, or seeks guidance on how to handle suspected breaches.

All inquiries about potential breaches or violations will be handled promptly and discreetly and we are committed to taking appropriate remedial action. In the event a misconduct is confirmed, we consider not only appropriate disciplinary action for the employees involved but also engage in a root cause analysis of the misconduct.

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7.0 Reviewing and Monitoring

We continuously seek to improve our policies and programs related to respecting human rights, as opportunities arise or in case of a significant event. As CAE puts increased focus into this area, the initiatives associated with this Policy will advance over time.

We are committed to engaging with all our stakeholders on human rights issues and to consider feedback that help us identify best practices, potential risk areas and opportunities in the future development and improvement of our program and of this Policy. For any inquiries or comments please contact ethics-and-compliance@cae.com.

8.0 Enforcement

Failure to respect the letter or spirit of this policy may lead to disciplinary measures commensurate with the breach, up to and including termination of employment or of any agreement with a third-party.

9.0 Deviations and Restrictions

A CAE division may impose more restrictive requirements than those set forth in this Policy, in which case the employees and third parties working or acting for such division must follow the more restrictive requirements. No policy, procedure, or guideline at CAE on the subjects covered by this Policy may be more permissive than this Policy.

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POLICY GOVERNANCE

Policy Details

Primary Contact	Hélène V. Gagnon
Required Executive Approvals	Chief Legal and Compliance Officer, and Corporate Secretary Chief People and Sustainability Officer Chief Strategy and Performance Officer Vice President Global Procurement & Supply Management Senior Vice President, Investor Relations and Enterprise Risk Management
Board/Committee Approvals	Governance Committee
Review Cycle	Every three years

Revision History

Date	Changed by	Description
May 30, 2017	Hélène V. Gagnon	Initial Approval
May 24, 2018	Hélène V. Gagnon	Annual Review
May 21, 2020	Hélène V. Gagnon	Biennial Review
May 18, 2022	Hélène V. Gagnon	Substantial review with the support of Global Ethics and Compliance.
May 13, 2025	Hélène V. Gagnon	Substantial review with the support of Global Ethics and Compliance (new sections added).