



FISCAL YEAR 2025

Global Annual Activity and Sustainability Report



About this report

Approach and scope


Our Global Annual Activity and Sustainability Report consolidates information on CAE's strategy, sustainability activities and fiscal year 2025 (FY25) performance into one document. This report includes all the information typically found in a company's sustainability report and the executive summary of the editorial pages of an annual report. By combining our reporting, we provide stakeholders a single source of information that covers these key interconnected areas.


Our approach also signals that we regard sustainability as inseparable from CAE's core business strategy and activities, built-in everything we do from the start. As presented in the Sustainability reporting section, our solutions generate benefits across three central dimensions: environment, social and governance. This report covers our global operations and, unless otherwise stated, presents quantitative and qualitative information for the fiscal year ended March 31, 2025 (FY25).


This document has been subject to formal internal review processes and approval by CAE's senior management and Board of Directors. However, our FY25 report did not undergo any external assurance process; CAE intends to engage in external assurance in the coming years.

All figures in this report are in Canadian dollars unless otherwise stated. For all financial data, see our [FY25 Management's Discussion and Analysis \(MD&A\) and Consolidated Financial Statements](#).

Companion documents

 [FY25 Annual Information Form](#)

 [FY25 Management Proxy Circular](#)

 [FY25 Management's Discussion and Analysis \(MD&A\) and Consolidated Financial Statements](#)

Reporting standards

We diligently monitor evolving non-financial disclosure regulations everywhere we operate to align our reporting practices accordingly. Please find below the comprehensive list of reporting standards we currently follow.

This report references the Sustainability Standards of the Global Reporting Initiative (GRI). We outline how this report aligns with various GRI Standards and reference relevant information sources in [GRI indicators](#).

In line with industry-specific Sustainability Accounting Standards Board (SASB) guidelines, we report on two categories: Aerospace & Defense and Professional & Commercial Services. You will find this disclosure in our [SASB Index](#).

We also report climate-related risks under the guidance of the Task Force on Climate-related Financial Disclosures (TCFD). You will find this disclosure in our [Climate change adaptation](#) section.

CAE abides by the principles of the United Nations Global Compact as a signatory and we continue our progress on the five UN Sustainable Development Goals identified as most aligned with our corporate strategy and business model. We also report to the Carbon Disclosure Project (CDP) and are a member of RE100.

Feedback

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



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;
- Capital employed;
- Adjusted return on capital employed (ROCE);
- 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 13.1 “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 13.1 “Non-IFRS and other financial measure definitions” of the [FY25 MD&A](#) for references to where these reconciliations are provided.

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A message from our Chief Executive Officer

Reflecting on our remarkable journey

After serving as CAE's Chief Executive Officer for more than 15 years, I look at the company we have built with immense pride, especially after another year of strong performance across multiple fronts. Fiscal year 2025 (FY25) was a year in which we faced challenges head-on, delivered for our customers, and expanded our market-leading position in several key areas.

Over the past decade and a half, we have grown significantly in both scale and importance to all our stakeholders. While this growth has been financially rewarding, it is even more meaningful in terms of our standing with customers, OEMs, regulators, employees, and the communities where we operate. As the challenges of the COVID-19 pandemic demonstrated, the journey has not always been easy – but we persevered with a focus on long-term success.

We have transformed CAE from a relatively small, regionally focused manufacturer of flight simulators into a global leader in flight training and related services. Today, approximately 60% of our annual revenue comes from recurring training services. More importantly, our remarkable impact on global flight safety reflects our noble mission – one that drives who we are, what we do, and inspires our employees to bring it to life every day.

CAE's revenue has more than tripled over the past 15 years, from \$1.5 billion in FY10 to \$4.7 billion in FY25. During that same period, our stock price has risen from approximately \$8 per share to \$35 per share. Including dividends, this represents a total shareholder return of over 460%, a meaningful reflection of our financial performance. But our success runs deeper than financial results alone. It is most powerfully demonstrated by the leading positions we have earned in our markets and the enduring trust we have built with our customers.

Today, the scale we bring to the global aviation ecosystem is unmatched. Each year, CAE trains more than 155,000 civil and military pilots across 240 locations in over 40 countries. In recent years, our training business has grown through approximately 50 acquisitions, including joint ventures, and organically, through sustained investment in our global training network. Our customers around the world rely on us daily as their training partner of choice – a responsibility we embrace with great pride.

The company we are today has transformed from the one I joined 20 years ago. We have evolved and grown in meaningful ways. Our culture of creativity and passion for our customers' missions positions us for continued growth, innovation and relevance in the years ahead. Moreover, the industry's ongoing recognition of our leadership in sustainability underscores our forward-thinking vision. ▶

For all these reasons, I believe CAE's future is brighter than ever.

Marc Parent, C.M.

President and Chief Executive Officer



Positioning CAE for long-term success

On behalf of the leadership team, I am very pleased with CAE's strong FY25 performance across all key financial and operational metrics. This year was marked by significant revenue growth, strong margins and further improvements in our cash position and leverage ratios, driven by robust cash generation and efficient capital allocation. On the strength of this performance, we are well positioned to achieve our long-term leverage and cash conversion targets in FY26 and to pursue accretive reinvestment opportunities and shareholder returns in the medium term.

Just a year ago, our primary focus was on re-baselining our Defense & Security (D&S) business to set the stage for steady, consistent performance improvements. This year, through discipline and determination, our team delivered on the ambitious goals we set, resulting in the financial recovery we anticipated in D&S. This progress has helped restore stakeholder confidence in the business and reaffirmed its vital contribution to CAE's overall success. With a very strong year for D&S adjusted order intake¹, we look forward to continued growth in revenue, profit and cash flow.

These achievements, combined with the continued strong performance of our Civil Aviation business, give me confidence that, despite current global macroeconomic uncertainty, we are well positioned to continue creating value for all our stakeholders. We have the right strategy, an exceptional leadership team, an unmatched competitive position and a wealth of opportunities ahead. ▶



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.

Civil Aviation

Continuing to soar as industry leader and trustworthy partner

Our Civil Aviation segment continues to benefit from long-term secular growth trends – most notably, the ongoing rise in global passenger traffic and associated aircraft delivery rates. Combined with the expected wave of mandatory pilot retirements, these trends point to a global demand for nearly 1.5 million aviation professionals by 2034. This includes not only pilots, but also maintenance technicians, cabin crew and air traffic control officers, as outlined in CAE’s recently published Aviation Talent Forecast.

In FY25, despite headwinds including limited aircraft availability, slower-than-expected aircraft delivery ramp-ups, and a related slowdown in U.S. pilot hiring, our Civil Aviation business delivered strong results. We believe this clearly demonstrates the resilience of our business model and the strength of CAE’s global franchise. Even in the face of these challenges, we made significant progress in expanding our global market share and reinforcing our role as the trusted partner for customers worldwide.

This year, we proudly opened state-of-the-art CAE training centres in Athens, Greece; Sydney, Australia; and Savannah, Georgia, in the U.S. We also continued to grow our market share organically

by expanding our commercial aviation training centre capacity and consolidating our ownership in SIMCOM. This move supports our customer Flexjet, one of the world’s leading business aviation fleet operators, and gives CAE greater exposure to the rapidly growing fractional jet and charter market. It also strengthens our position in the large-cabin segment of the business jet market, where both growth and returns have historically been higher.

Additionally, we expanded our presence in adjacent markets, most notably through Flightscape, our airline operations digital solutions business. This year, we secured several long-term customer contracts and positioned the business for future growth through continued investment in new products and features. We also inaugurated our first Air Traffic Services Training Centre on CAE’s Montreal campus, broadening our training portfolio. Under this first-of-its-kind partnership in Canada, CAE instructors deliver initial training for Flight Service Specialists and Air Traffic Controllers using NAV CANADA’s curriculum and courseware. This collaboration is a natural extension of our business and aligns with our core mission to make the world safer. ▶



Defense & Security

Exceeding financial targets through solid execution

Just one year ago, our company was intensely focused on the actions needed to re-baseline the D&S business and address lingering challenges from the COVID-19 pandemic, particularly those affecting several previously disclosed ("Legacy Contracts"). These changes were comprehensive, involving talent, processes, and organizational structure. Following the bold decisions required to implement these changes, our D&S segment delivered the expected performance improvements in FY25, with steady margin gains throughout the year and overall profitability exceeding our initial plans and outlook.

During the year, we completed work on three of the eight previously disclosed Legacy Contracts and made significant progress toward closing the remaining five. This progress reflects the effectiveness of our actions and the focus of our revitalized leadership team. We expect continued strong performance in the quarters ahead.

In addition to improved execution and steady performance, D&S secured significant new contracts globally, resulting in a 1.99x book-to-sales ratio¹ for the year. Notably, we were selected to support Canada's Future Aircrew Training program – a 25-year contract, and the largest in CAE's history – and awarded a major

contract with General Atomics Aeronautical Systems for the Remotely Piloted Aircraft Systems program. Later in the year, we were named a strategic partner by the Government of Canada to collaborate with the Royal Canadian Air Force on the design and co-development of the Future Fighter Lead-in Training program, which will prepare pilots to operate Canada's next-generation fighter aircraft.

Outside of Canada, other key wins included a successful re-compete for the U.S. Army's Advanced Helicopter Flight Training Support program through 2030 and the deployment of our integrated training solution for the U.S. Army's High Accuracy Detection and Exploitation Systems program. This solution leverages technology from our Civil segment in a commercial-style training model tailored for the U.S. Army.

Across NATO and allied nations, rising defence spending signals strong growth prospects and continued demand for the training and support solutions we provide. This growth, combined with our commitment to operational excellence and financial discipline, supports our confidence in sustained financial strength and market leadership. ▶



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.

Advancing performance and customer experience through technology

Once again, this year, we continued to relentlessly pursue advancing technologies that delight our customers, distinguish CAE's capabilities in the marketplace, create new revenue streams, and enhance internal performance. As a company, we seek not only to perform exceptionally for our customers each and every day, but more importantly, to set the standard for our industry and all its stakeholders.

This year, we introduced the Unified Task Board, a new and exciting addition to our portfolio of solutions in the Flightscape airline operations software business. This solution integrates data from multiple airline operations control centre systems to streamline critical decision-making and boost operational efficiency during time-critical situations. Additionally, to enhance customer experience, we successfully deployed our CAE Connect solution to over 5,000 business aviation users, which was met with overwhelmingly positive feedback. This award-winning training platform serves as a one-stop shop for customers, where they can reserve their training sessions, access training records and much more.

With our Prodigy visual system, originally launched in D&S, we were the first aviation simulation and training organization in the world to seamlessly integrate a gaming engine into our full-flight simulator ("FFS") image generation. This year, the deployment of this system stretched beyond D&S, with Air Canada becoming the first airline to deploy an FFS with CAE Prodigy enhanced visuals. Furthermore, through our incubation organization, we developed an immersive pilot training application using the Apple Vision Pro. This development effort aims to further enhance the effectiveness and speed of safe pilot training, and will also enable pilots to conduct important training activities from anywhere, at any time.

Leveraging sustainability as a key business driver and differentiator

Our purpose is to make the world safer, and that includes safeguarding a sustainable future through all our actions as an enterprise. As such, sustainability remains central to CAE's commitment to responsible operations and long-term value creation.

During the year, we made important progress on our decarbonization strategy. Approval received from the Science Based Targets initiative (SBTi) on our decarbonization targets will generate value for the business through better energy and cost efficiency and will also support our customers' decarbonization efforts. As a part of this strategy, during FY25 we drove enhanced supplier engagement and supported the sustainability journey of our key supply chain partners through multiple initiatives, including, most notably, the CAE Resilient Together program.

With safety at the core of what we do and people as our most important asset, the new role of Chief People and Sustainability

Officer is evolving to maximize our impact by achieving greater synergies across human resources; environment, health and safety; and sustainability. This includes leveraging sustainability as a key driver for attracting and retaining top talent.

Today, more than ever, people are motivated by purpose. Purpose drives passion, passion drives growth and growth drives success. At CAE, our employees are passionate about what they do. Their dedication and innovative spirit help make us the partners of choice for our customers.

CAE's unique, inclusive culture fuels our success and consistently positions us as a preferred employer, with recognition from multiple leading global and regional organizations – many of these being consecutive honours. In FY25, CAE was listed as Forbes World's Top Companies for Women, Forbes' Canada Best Employers and Canada's Top 100 Employers, among other notable recognition. ▶

Leading CAE into the future

CEO succession

During this fiscal year, we announced my departure from CAE after more than a decade and a half of service as CEO. Alongside this announcement, CAE initiated a rigorous global selection process overseen by the Board. With the conclusion of this process, I am very pleased to welcome Matthew Bromberg as CAE's Incoming President and CEO. As of the Annual and Special Meeting of Shareholders ("Meeting") on August 13, 2025, I will officially pass the leadership torch to him.

I have known Matthew for many years and can personally attest to the reputation he has earned across our industry. While his experience is undoubtedly impressive, what truly stood out to me was how his strengths and values align with the principles that have guided CAE's success.

Matthew has deep knowledge of what it means to prepare individuals for the moments that matter, and brings with him valuable insights from both the civil aviation and defence sectors. He not only understands our industry, but also the people behind the scenes who help shape it.

I will work alongside Matthew through the summer to ensure a seamless transition. I have no doubt that he will build on what we have accomplished and carry it forward with purpose.

Board renewal and appointments

Impactful changes in our Board composition occurred in FY25. We welcomed incoming directors Patrick Decostre, Ian L. Edwards, Peter Lee, Katherine A. Lehman, Louis Têtu and Calin Rovinescu, the new Board Chairman.

Calin offers a wealth of executive leadership experience and a proven track record of value creation. As the former CEO of longstanding client Air Canada and a steadfast champion of our work, he offers sharp industry acumen and firsthand understanding of the challenges and opportunities ahead. His guidance will be instrumental as we advance our strategy.

Following the upcoming Meeting, two governance roles will be introduced. Subject to their election to the Board, Calin Rovinescu will become Executive Chairman of the Board and Sophie Brochu, an independent Director since 2023, will serve as Lead Independent Director.

As Executive Chairman, Calin will work closely with Matthew in the development and execution of the CAE's strategic initiatives and will be responsible for the effective functioning of the Board. In her new role, Sophie will ensure CAE retains strong Board governance. She will also preside over executive sessions of the independent Directors.

These appointments reflect CAE's dedication to strengthening its leadership team to meet the evolving needs of its customers and stakeholders. Together, they will help guide CAE's strategic priorities, expand its global reach and drive sustainable growth, while following best governance practices.

On behalf of the Board and executive leadership, I extend our thanks to Alan N. MacGibbon for his service and leadership as a director then Board Chair. Also, I share our appreciation to outgoing Directors Michael E. Roach, Andrew J. Stevens, Margaret S. (Peg) Billson, François Olivier and David G. Perkins, for the valuable contributions made during their tenure. ▶



Entering CAE's next chapter

In taking stock of how CAE has progressed over the last several years, whether from a scale, capability, or customer perspective, I am encouraged by the possibilities that our future holds. And now more than ever, our corporate strategy is aligned to bring these possibilities to fruition. Our strategic focus on technology, operational excellence, customer centricity, and culture will be the key pillars that guide our actions as CAE enters its next chapter.

I have never been more assured of the strength of this company and the potential of its next generation of leaders. I am fully confident that those entrusted with taking CAE to the next level are well positioned for success and I am excited about the lasting impact this company will have on the world for years to come.

In closing, I offer my sincere thanks to CAE shareholders, employees, leadership, the Board of Directors and to the many partners who put their trust in CAE – and in me. It has been a memorable and rewarding experience, and I am grateful for the extraordinary contributions of everyone who has been part of this journey.

Be it as a citizen, airline passenger, industry advocate, or pilot, I will continue to champion CAE's mission to make the world safer – a noble purpose that will forever remain close to my heart. ■



At CAE, we exist to make the world safer.

Our cutting-edge training, simulation, and critical operations solutions empower pilots, airlines, defence and security forces 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.

Our mission

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

Defense & Security

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

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.

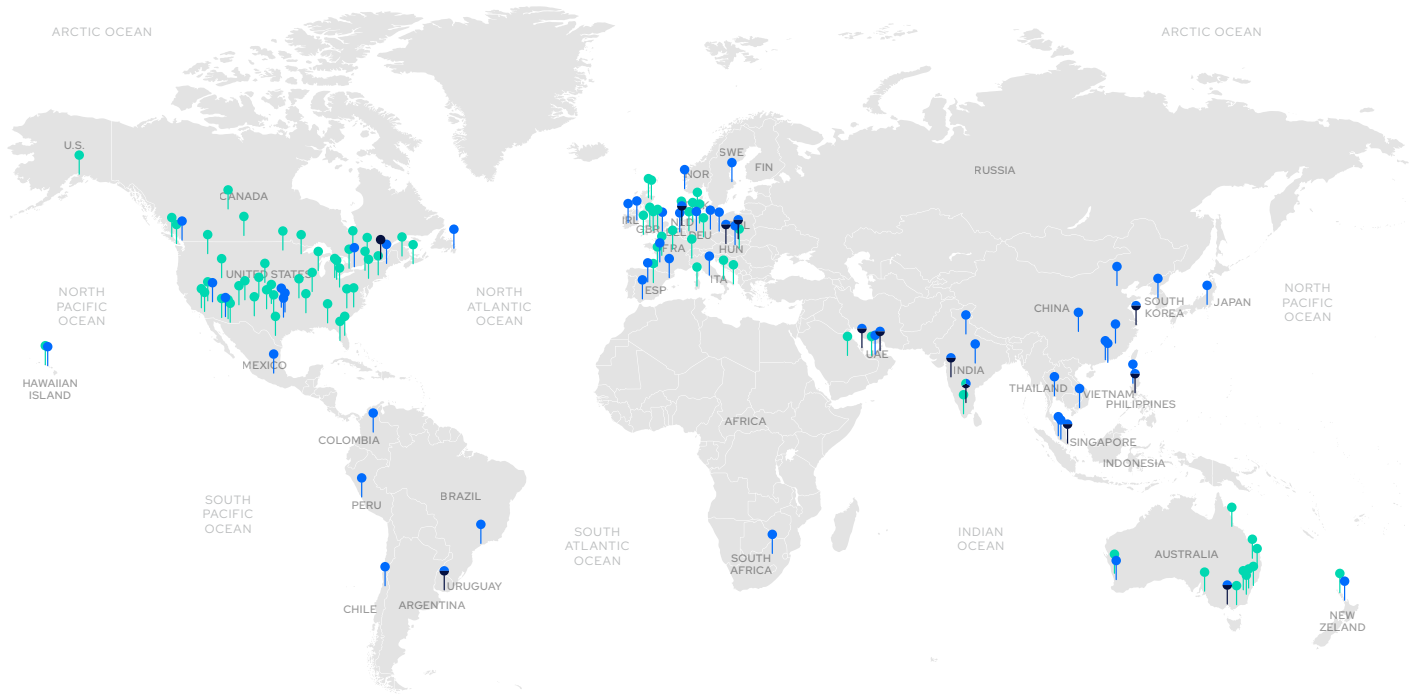


Roots in innovation

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 mid-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.

Worldwide presence



● Corporate ● Civil Aviation ● Defense & Security

≈ 240
locations

≈ 13,000
employees

40 + countries

One CAE.

FY25 Corporate financial highlights

\$4.7 billion

Annual revenue

\$20.1 billion

Adjusted backlog ¹

\$7.7 billion

Adjusted order intake ¹

\$896.5 million

Net cash provided by operating activities

\$813.9 million

Annual free cash flow ¹

\$729.2 million

Operating income

\$732.0 million

Annual adjusted segment operating income (SOI) ¹

\$1.27

Basic and diluted EPS

\$1.21

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.

Our strategic pillars

Efficient growth

Our business features a high degree of recurring revenues due to the underlying characteristics of our technology-enabled solutions and regulatory requirements across our markets. We seek to maximize the benefits of our strong competitive position to deliver premium growth and profitability through a focus on operational rigour, cost optimization, capital efficiency and a disciplined approach to pursuing both organic and inorganic growth.



Technology and market leadership

We have a rich and long-dated history of customer centricity, innovation and delivering state-of-the-art technology solutions that define the forefront of the industries in which we operate. As a result, we constantly seek new ways to enhance the performance of our customers by fostering a culture of continuous improvement and innovation. This drives technology leadership, deeper customer partnerships and new customer development, enabling us to capitalize on the ample headroom in our large, growing addressable markets. Furthermore, our technologies are deployed with a focus on integrated sustainability.



Revolutionizing training and critical operations

We are a global leader in the application of training, digital immersion, critical operations and modelling and simulation technologies. We seek to use data-driven applications and advanced analytics to produce measurable and demonstrated outcomes in our markets. The efficacy of our technology solutions enables customized, collaborative and multi-domain offerings.



Skills & 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 seek to create an employee experience and environment that values teamwork, professional growth and engagement. As a result, our employees across the globe share a passion to prepare our customers for the moments that matter.



Advancing safety and sustainability in our industry

Sustainability is embedded in our culture and drives our priorities, decisions and actions at the outset. It is integral to CAE's values and to how our organization makes a difference in the world.

Our sustainability strategy is grounded in our core purpose to make the world safer, and this starts with our business lines.

Civil Aviation is the global partner of choice of aviation professionals, airlines, air traffic controllers, business aircraft operators and aircraft manufacturers. Civil Aviation contributes to moving safety and industry decarbonization forward. We are dedicated to reducing direct carbon emissions through a sustainable aviation plan that includes developing an electric conversion kit for our training aircraft.

Additionally, CAE offers refurbished simulators to help our customers lower their carbon footprint. Our advanced training analytics enhance training efficiency and reduce energy use. Flightscape optimizes flight plans and catering services to cut fuel consumption and waste. These capabilities further the decarbonization of our customers and of the aviation industry at large. We are also involved with several Advanced Air Mobility (AAM) OEMs to foster the development of a new all-electric industry that will contribute to more sustainable air transportation.

Defense & Security (D&S) is a recognized training and mission systems integrator whose noble mission to support readiness fosters sovereignty, stability and safety. Current geopolitical instability is a stark reminder that the world needs to be prepared to defend freedom at a moment's notice. Whether the world is preparing for or actively involved in conflict, readiness comes to the forefront as strategic deterrence.

Our mission readiness and support training equips critical role players with necessary expertise and solutions. It ensures military personnel are proficient and prepared, performing their missions at the highest levels of aptitude and returning home safely.



CAE's simulation-based training also aids public safety communities in saving lives by providing essential capabilities to manage and recover from various emergencies.

Beyond the advantages captured in simulation versus live aircraft training, CAE's technological innovations in digitalization and immersive simulation enable continuous improvement in our decarbonization strategy. In turn, these enhancements benefit our customers and elevate our offering. Carbon impact is a paramount consideration in our approach to the development of our products, utilizing eco-efficient practices and promoting the use of sustainable materials.

CAE is also committed to extending the outlines of the talent pool across the various fields related to our industry. Through scholarships, community engagements and industry alliances, Civil Aviation and D&S sustain fair access to equal opportunities for all skilled talent, including underrepresented groups and veterans.

We deploy the best-in-class ethical principles and practices when doing business with all types of industry players in all countries and require the same of our partners.

With our organization recognized for quality, reliability and innovation, CAE leadership participates in the evolution of aviation safety in collaboration with governments, global defence organizations, civil aviation authorities and industry stakeholders to help achieve the best level of safety. As an immediate business imperative, we are addressing the challenge of sourcing talent to fill new roles in the AAM sector.

In these various capacities, CAE contributes to making air transportation safer and less carbon-intensive and to opening up new possibilities in our industry.

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 team – 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’re working continuously to empower people and facilitate the future of flight.

Year in review

\$2.7 billion

Annual revenue

\$8.8 billion

Adjusted backlog ¹

\$3.7 billion

Adjusted order intake ¹

\$605.3 million

Operating income

\$581.5 million

Adjusted segment operating income (SOI) ¹

1.37 x

Book to sales ratio ¹

74%

Civil training centre utilization ²

61

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 simulation solutions
that enhance mission readiness



About us

Training and simulation solutions that enhance mission readiness

At CAE, we are in the business of helping people enhance their performance in critical environments. To achieve this, we provide innovative training solutions that help build the necessary skills and experience to take safer actions and make better decisions faster.

Delivering advanced technologies and integrated solutions for evolving landscapes

Leveraging advanced technologies and integrated solutions, we deliver essential rehearsal capabilities and analysis for 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 are committed to always staying at the forefront of new technology as a platform-independent provider to enable readiness and mission success. We develop immersive environments that make globally distributed training models a reality. We are investing and putting the power of our digital expertise to work for our customers and their mission, so they are ready today and prepared for tomorrow.

Year in review

\$2.0 billion

Annual revenue

\$11.3 billion

Adjusted backlog¹

\$4.0 billion

Adjusted order intake¹

\$123.9 million

Operating income

\$150.5 million

Adjusted segment operating income (SOI)¹

1.99 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

Interview with our Chief People and Sustainability Officer

In this interview, our Chief People and Sustainability Officer, H el ene V. Gagnon, responds to key questions on CAE’s approach to sustainability.



H el ene V. Gagnon

Chief People and Sustainability Officer

Credit: Julien Jovanovski - 31 Photography

As a global organization, how does CAE approach sustainability?

We believe sustainability requires a holistic approach. Sustainability starts with identifying and managing risks and opportunities to deliver greater outcomes for all CAE stakeholders – our employees, customers, investors, suppliers and the communities worldwide where we operate.

How do you view recent changes and volatility in sustainability reporting regulations, and what opportunities do you see for CAE?

At the moment, the global regulatory landscape is uneven and slightly polarized. European legislation has progressed faster than that of the U.S., Canada, Australia and Asia, with developing countries further behind in adaptation.

While the essence of the current norms remains quite consistent from one standard to another despite the changes, they further connect sustainability to value creation through financial materiality. In my view, this is a constructive development.

For a company like CAE, this scenario calls for agility in view of the opportunities that present themselves.

We are well positioned in that respect, given that our approach goes beyond compliance to elevate sustainability reporting as a management tool, a strategic input for our multi-year roadmap. By aligning sustainability with business objectives, we enhance our competitive advantage and operational efficiency, reduce costs and create shared value. By measuring the right data to properly inform our business decisions, we build sustainability in our business model to create value from the outset. ►

Additionally, we have found that integrating sustainability into our business processes triggers the right discussions.

In FY25, we developed a shadow internal carbon price (ICP) process to build carbon considerations into our capital allocation decision-making. The shadow ICP will empower us to make even more informed decisions that promote low carbon investments and increase our resilience to climate change.

We continue to adapt our organization and processes to address risks and opportunities related to sustainability strategy and reporting, including establishing a cross-functional framework that encourages tighter collaboration with teams traditionally viewed as external to the sustainability space, such as Strategy, Finance, Legal, Enterprise Risk Management and Internal Audit.

Ultimately, the agility required to navigate these regulatory changes has led to positive development opportunities for CAE.

Decarbonization remains top of mind for companies and their stakeholders in terms of sustainability priorities. How is CAE progressing on this front?

CAE regards decarbonization as an environmental and social responsibility, and as a business imperative to improve our long-term resilience within an evolving market landscape.

Our approach to decarbonization leverages the collaborative cross-functional framework I mentioned above along with all the business units to identify and progress toward achieving our objectives.

In September 2024, we received approval of our GHG emissions targets from the Science Based Targets initiative, which are designed to reduce our emissions at the source. This approval underscores our commitment to sustainability in alignment with the latest climate science.

CAE has a longstanding decarbonization plan articulated around four sustainable pillars: buildings, products, aviation and sourcing.

This year, our Civil Aviation and Defense & Security business units developed tactical decarbonization plans that will secure progress toward FY33 targets set against our FY19 baseline. They will be accountable for considering GHG emissions and reduction opportunities within the scope of their projects.

Our shadow ICP complements these plans as an additional mechanism for the business units to measure the impact of potential opportunities on CAE's progressive transition to less carbon-intensive growth. The shadow ICP process will equip the business leaders to integrate the carbon emissions associated with growth projects and the future investments needed to reduce them at the outset. CAE will achieve better investments and more sustainable growth of the business.

What actions is CAE taking externally that support a holistic approach to sustainability?

Here again, we view disclosure and monitoring obligations as a source of opportunity for CAE, our customers, suppliers and industry partners.

By both deliberate intent and necessity, CAE's culture of sustainability extends beyond our operations as a determining factor in our strategy and long-term success.

Through industry engagements, including the International Aerospace Environmental Group, CAE acts as a change agent to advance the decarbonization of the aerospace industry.

Extending our emissions inventory to Scope 3 GHG emissions data enabled us to build a comprehensive, multi-year decarbonization plan that involves collaborative opportunities to engage our suppliers. These decarbonization initiatives not only raise supplier awareness and drive cost efficiencies, but also reinforce CAE's leadership and competitiveness.

Through the CAE Resilient Together program and as a co-founder of the nonprofit organization Décarbône+, we equip suppliers to build their own carbon inventory, decarbonization measurement and reduction capabilities. Among the outcomes, these initiatives identify opportunities to leverage decarbonization as a means to strengthen the sector's competitiveness and resilience. ►

As an organization with global operations, CAE is subject to several duty of care regulations and human rights due diligence requirements and we recognize that human rights risks intersect with our supply chain, particularly in upstream supply chain management.

Incident and violation reporting mechanisms include a 24-7 independent ethics reporting line and EcoVadis, a leading sustainability intelligence platform for supplier evaluations. In fact, 90% of CAE's strategic suppliers, representing about 98% of our direct spend, have undergone EcoVadis assessments.

Should CAE be required to rectify a situation, we determine the facts, request implementation of a corrective plan and intensify risk management monitoring of that supplier. This collaboration strengthens our business relationship and increases transparency.

In FY25, you transitioned to the combined role of Chief Sustainability and People Officer (CPSO). How does the mandate of these two roles tie together?

As sustainability evolves, so do organizational challenges and opportunities.

Global businesses like CAE are realizing the value and benefits of adopting a holistic approach to sustainability. This extends to leadership roles.

More and more Chief People Officers whose mandates extend to sustainability are realizing critical synergies in combining these roles, particularly in regard to talent management and employee engagement. We also recognize that new generations factor sustainability into their choice of employer, helping us attract and retain top talent.

Fostering an inclusive workplace is essential to our long-term success and we are proud of the accolades CAE continues to receive in recognition of our strong commitment to a workplace that reflects the world we operate in.

The CPSO role also reinforces human sustainability, a term introduced by Deloitte¹ in 2024 and defined as *"the degree to which the organization creates value for people as human beings, leaving them with greater health and well-being, stronger skills and greater employability, good jobs, opportunities for advancement, progress toward equity, increased belonging, and heightened connection to purpose."* I endorse and embrace this perspective as a reflection of our culture.

The health and safety (H&S) for our people and partners, which remains an ongoing priority for us, is another key area where human resources and sustainability converge, and where integration of the CPSO role accelerates alignment and action on CAE's organizational objectives.

We made key progress in FY25, further deepening the integration of H&S best practices across our organizational culture to heighten employee awareness, accountability and recognition. We continue to elevate tone at the top with our senior leaders owning precise targets and strategic objectives. All of these new initiatives advance our intent to constantly raise awareness and keep safety at the forefront of everything we do.

Guided by the CAE Indigenous Advisory Board, whose members are leaders in the Indigenous community, we pursue multiple activities aimed at creating bridges with Indigenous Peoples and elevating awareness within CAE. Advances include progression toward level two committed in the partnership Accreditation in Indigenous Relations and certification program, recruitment of Indigenous talent and generating business opportunities for Indigenous-owned businesses.

What lies ahead?

Our results related to sustainability over the last year are quite positive, as evidenced by external evaluations of our sustainability performance from EcoVadis, Sustainalytics, the S&P Corporate Sustainability Assessment and Women in Governance, among others. With our focus on creating value through sustainability, I am confident that we have the ability and drive to keep making progress despite the uneven policy landscape in various countries.

I want to acknowledge and thank our departing CEO Marc Parent for his leadership in sustainability. During his tenure, CAE became the first Canadian company in our industry to achieve carbon neutrality in 2021. Marc skillfully and successfully led our organization through a global pandemic, a crisis that had immense impacts. He also championed organizational advances in fostering an inclusive workplace and ensuring equal opportunities for all, an area in which CAE navigates ongoing change while staying true to our values.

I look forward to working with our new CEO, our Board and all CAE employees as we pursue the objectives identified in our strategic roadmap. Together, we will continue to make steady progress and reinforce CAE's resilience and competitiveness. ■

¹ Source: [Deloitte Insights](#)

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. By doing so, we encourage a transformative mindset across CAE.

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.

Multi-year roadmap

In consultation with subject matter experts across CAE, we developed a multi-year sustainability roadmap for FY24–28 that aligns with the expectations of our stakeholders and targets topics highly material to our industry.

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.



Key highlights of FY24–28 roadmap development

- Organized under three sustainability pillars: environment, social and governance
- Involved 15 working groups, including cross-functional teams, mandated to develop objectives aligned with our business strategy
- Identified objectives that incorporated best practices analyses, stakeholder pulse and market signals
- Approved by the Executive Management Committee (EMC) and Board of Directors

We operationalized our roadmap in FY24, implementing initiatives aimed at achieving the key results identified under the three pillars of sustainability.

Report sections address the significance, management approach, governance and metrics that measure our progress and impact on material topics. The majority conclude with a table listing FY24–28 roadmap objectives, target year and status.

Key priorities of our multi-year sustainability 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

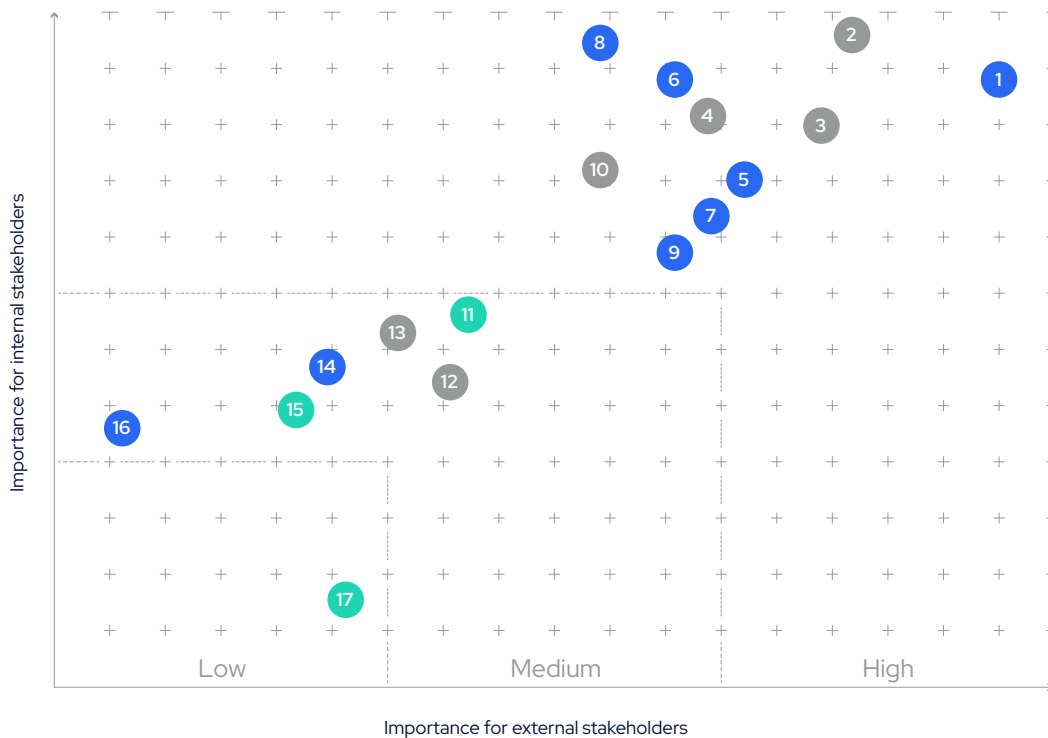
Materiality matrix

Setting the right sustainability priorities is highly instrumental to our organization’s success, contributing to long-term business value and risk mitigation. Our materiality matrix and multi-year roadmap ensure that CAE’s sustainability efforts directly address the matters most important to our industry and stakeholders.

Key highlights of sustainability materiality exercise

- Conducted in 2021 to determine the drivers of our FY24–28 sustainability roadmap
- Included a confidential online survey sent to internal and external stakeholders; received 3,652 responses
- Prioritized 17 environment, social and governance matters
- Rated CAE’s actual and expected performance on these topics
- Validated the assessment outcome with key internal audiences, including management

The matrix serves as a compass to guide actions and enhance impact and performance across all areas of sustainability.



● Environment

- 11 — Climate and energy
- 15 — Sustainable solutions offering
- 17 — Waste and water management

● Social

- 1 — Talent attraction, engagement and retention
- 6 — Innovation
- 9 — Human rights
- 5 — Inclusion and equal opportunities
- 7 — Workplace safety and wellness
- 14 — Advanced research and education
- 8 — Product quality and safety
- 16 — Community engagement

● Governance

- 2 — Business ethics
- 4 — Data protection, privacy and security
- 12 — Transparency and disclosure
- 3 — Anti-corruption and bribery
- 10 — Governance, board structure and leadership
- 13 — Responsible supply chain management

Material topics

We regularly update our material topics to enhance granularity and strengthen transparency on what matters most to our stakeholders. In FY23, we assigned topics to three distinct tiers (foundational, strategic and rising) to highlight their relative impact for CAE and for our stakeholders. Changes made in FY24 brought greater detail to each material topic, deepening our data collection and strengthening the strategic focus of our program.

As we prepare to meet regulatory requirements on disclosure of non-financial data, we initiated a preliminary alignment under the guidance of IFRS S1 and S2. This process, initiated in FY25, allowed us to review and refine our material topics through extensive consultation with internal and external stakeholders. As a result, we made adjustments¹ to better align with stakeholder and industry expectations. These adjustments are reflected in this report.



** **Foundational topics** are core to CAE's business and brand. We regard these topics as essential to our operations and paramount to achieving our mission.

* **Strategic issues** represent key focus areas aligned to our brand, business growth and our long-term strategic objectives: climate change adaptation, carbon impact, climate change mitigation – decarbonization, energy and responsible supply chain management.

¹ Climate change resilience was renamed climate change adaptation, energy consumption was renamed energy and decarbonization became climate change mitigation – decarbonization to better align with regulatory language. We consolidated sub-topics related to climate change mitigation – decarbonization (sustainable products and services and sustainable sourcing). We also removed two topics: biodiversity, as it was deemed less material based on stakeholder feedback and industry trends, and cybersecurity, given that its social and environmental impacts are covered under other chapters of this report.

Strengthening our reporting process

Transparency is foundational to how we engage with our stakeholders and earn their trust. Sustainability reporting is no exception. CAE has a long-standing commitment to full and fair disclosure, providing stakeholders with timely and accurate updates on relevant issues, including the company's financial results and reports, speeches, webcasts, media advisories, press releases, material business information, MD&A and Consolidated Financial Statements, as well as our progress on our environmental, social and governance commitments.

We take measures to improve data robustness and maturity in close collaboration with our Internal Audit and Finance teams. We are implementing additional controls and enhanced data accountability across the organization, developing repeatable and auditable data collection and reporting processes and identifying the most relevant performance indicators for each material topic.

In FY24, we built on our robust governance framework, policies and disclosure, completing an independent readiness assessment for our Scope 1 and 2 emissions data in preparation for external limited assurance. In FY25, we documented processes, methodologies and controls for all the data points reported in our annual Financial Report. This will facilitate the internal audit of our data that we plan to complete next year.

Progress on our Sustainable Development Goals

In FY20, our Sustainability Committee analyzed the United Nations' 17 Sustainable Development Goals (SDGs) to determine where CAE could have the most impact. Under the Committee's guidance, CAE prioritizes and pursues concurrent initiatives associated with five SDGs.



SDG 3 Good health and well-being

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

CAE's contribution

- Our business units develop solutions aimed at enhancing proficiency and preparedness to elevate safety.
- We place a strong focus on employee safety and implement employee-centric policies, benefits and wellness initiatives.

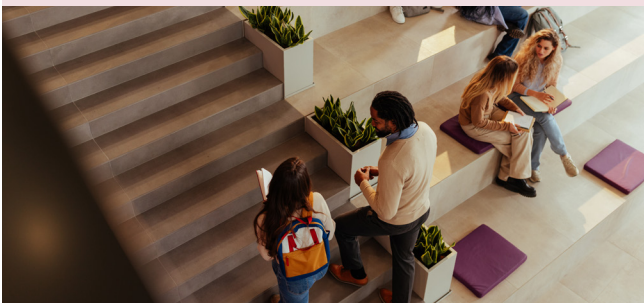


SDG 4 Quality education

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

CAE's contribution

- Education is integral to who we are and how we make a difference in the world.
- We maintain strong partnerships with colleges, universities, research centres and industry organizations.
- Through scholarships and partnerships, we enable pilots to realize their dreams.
- We take a holistic approach to employee training and development.





SDG 5 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

- Our inclusive culture fosters an environment where diverse perspectives fuel innovation and success, and where everyone can thrive based on merit, skills and contributions.
- We offer career development programs for women such as DARE and The Ambition Challenge¹.
- Our seven Employee Resource Groups, which are open to all employees, contribute to elevating awareness and building bridges within the organization.
- We are a signatory of the UN Women's Empowerment Principles.



SDG 8 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 13,000 employees across 240 locations in over 40 countries, we are committed to fostering a positive economic impact where we operate.
- Our procurement programs and policies are designed to promote sustainable economic opportunities for local suppliers and throughout our global supply chain.
- We engage with local communities to support economic development projects and job creation.



SDG 13 Climate action

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

CAE's contribution

- Our simulation-based training and digital solutions contribute to reducing the operational greenhouse gas (GHG) emissions of our customers.
- We are developing an electric conversion kit for our training aircraft and working with Advanced Air Mobility OEMs on projects that aim to contribute to more sustainable air transportation.
- We set near-term science-based GHG reduction targets approved by the Science Based Targets initiative, addressed through a comprehensive decarbonization plan.



¹ This program is not available to employees based in the United States.

Stakeholder engagement

Our engagement with CAE’s various stakeholders provides diverse feedback and insight. We value transparency, authenticity, openness and integrity in these relationships, which contribute to advancing our mission to make the world safer. Through ongoing exchange, we build trust and offer opportunities to share CAE’s story, which in turn strengthens our reputation and brand.

CAE stakeholders include employees, customers, investors, suppliers, communities, academic and research institutions, industry and trade organizations, governments, regulators and media.

To maximize our accessibility, CAE communicates with our stakeholders through multiple internal and external channels that correspond to their needs.

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 act as our collaborative innovation and sustainability partners.

Delivering exceptional value for our customers continues to be our top priority.

We engage with our customers through various channels, including one-on-one meetings with CAE leadership, Customer Advisory Boards, CAE User Conferences, customer appreciation events, site visits, workshops, trade shows, forums, satisfaction surveys and our 24-7 Global Customer Support and Customer Services teams.

How we engaged in FY25

- Collection of 65,000+ data points to understand customer preferences and experiences
- In-person Business Aviation Customer Advisory Board session in Europe and several subcommittee meetings
- Multiple Flightscape product portfolio customer events held worldwide and delivered enhanced support to our customers
- Sessions with ambassadors/ government officials and Defense & Security (D&S) customers to expand industry collaboration

Value created

- Nurtured positive, trustworthy customer relationships



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, one-on-one meetings, internal forums, panels and workshops, EcoVadis risk assessments, and external industry partnerships and activities.

CAE's Supplier and Business Partner Code of Conduct outlines our specific requirements and expectations. Suppliers can access the CAE Ethics Helpline to voice concerns and seek guidance.

How we engaged in FY25

- Workshop with strategic suppliers on eco-design practices and decarbonization of their operations, in collaboration with Décarbône+ under CAE Resilient Together
- Various best practices exchange sessions with industry leaders and suppliers

Value created

- Facilitated investment opportunities and support product innovation and sustainability
- Strengthened ecosystem collaboration and resilience through decarbonization



Employees

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

We engage employees through direct communications, dynamic feedback mechanisms and collaborative initiatives to foster a culture of empowerment and belonging. Our CEO sessions and town halls –including those held at the EMC level– conclude with Q&A segments where the CEO and leadership team address many of the questions submitted live.

Periodic pulse surveys help inform our actions on topics of importance to employees. Our Employee Resource Groups contribute to an inclusive workplace culture, reflecting CAE’s commitment to valuing every employee’s voice and perspective. We uphold fair labour practices, working closely with employee representatives and unions to address any concerns.

How we engaged in FY25

- More than 100 internal events, monthly pulse surveys, Q&A sessions, one-on-one meetings
- Weekly editions of CAE’s internal newsletter, with a 60% open rate (*above the industry average*)

Value created

- Contributed to employee development and well-being
- Bolstered employee engagement
- Promoted an inclusive workplace



Investors and analysts

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

We connect with investors through one-on-one and group meetings, roadshows, sell-side conferences, webcasts, analyst and investor events, and timely financial and material disclosures to ensure their understanding of CAE’s business, technology and products, market opportunities, strategic initiatives and outlook.

How we engaged in FY25

- Dialogues with investors and analysts to address top-of-mind matters, with 20% of this year’s engagement on sustainability matters (primarily focused on governance)

Value created

- Ensured thorough, accurate communication of financial results, including key drivers of business performance and progress on CAE’s sustainability strategy



Communities

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

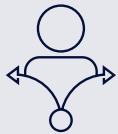
CAE interacts with and actively supports local, regional and Indigenous communities. We consider input from non-governmental organizations to ensure inclusion of diverse perspectives.

How we engaged in FY25

- 226 non-profit organizations received direct or in-kind contributions
- 541 internships and 49 scholarships awarded

Value created

- Reinforced our corporate values through actions that instilled community respect



Industry and trade organizations

We engage with industry peers, trade and industry associations to jointly amplify our voices and influence and progress the industry agenda as a change agent.

Through our participation in trade associations and peer-to-peer collaborations, we address areas of importance in the aviation and defence industry. CAE leadership serves on committees and workgroups, and contributes to thought leadership as keynote speakers, moderators, panelists and advisors.

How we engaged in FY25

- Activities associated with CAE’s role as a founding member of the Initiative for Sustainable Aviation Technology
- Activities associated with CAE’s role as a prime mover behind the creation of the Confiance IA consortium
- Sustained involvement in a variety of association committees and working groups, with CAE serving on the boards of Aéro Montréal and the International Aerospace Environmental Group

Value created

- Advocated for policies and initiatives that support the growth and competitiveness of our sectors, including those supporting innovation in sustainability and workforce development



Media

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

We work with media worldwide to coordinate interviews, contribute to articles and serve as an industry subject matter expert for reporters. Other communication mediums include social media, site visits, quarterly results conferences with executive leadership and press releases.

How we engaged in FY25

- Close to 700 social media posts with an average engagement rate of 7% (*approximately twice the industry average*)
- Presence at Aerospace Media Awards
- Media event: Inauguration of CAE’s Air Traffic Services Training Centre in collaboration with NAV CANADA (*9 media outlets hosted*)

Value created

- Enhanced public awareness of CAE
- Strengthened relationship with media



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 best-in-class experts worldwide to advance cutting-edge technologies and knowledge creation.

How we engaged in FY25

- Cultivated partnerships across our educational ecosystem, continuing our ongoing collaboration activities with over 50 academic partners and research centres worldwide.
- CAE is actively involved in research networks such as the Consortium for Research and Innovation in Aerospace in Quebec and the Waterloo Institute for Sustainable Aeronautics
- Joined H2CanFly consortium, launched in FY25 by the National Research Council of Canada

Value created

- Advanced talent development through new and longstanding partnerships
- Contributed to knowledge creation and development of cutting-edge technologies through collaborative research initiatives



Governments

Governments establish policies and standards in consultation with industry, lead initiatives to advance innovation and socioeconomic opportunities and, together with industry, contribute to the prosperity of the communities where we operate.

We hold periodic meetings with government officials as required, in compliance with lobbying regulations. Advocacy efforts at the national and local levels include CAE’s political action committee in the U.S.

How we engaged in FY25

- Meetings with government officials (e.g. ambassadors, trade representatives)
- Interaction with the Quebec government, along with industry, municipalities and other stakeholders for the creation and advancement of the Quebec Innovation Zones
- D&S among businesses representing Canada as the partner country of HANNOVER MESSE 2025, a global industry showcase for innovation
- Participant in Team Canada trade missions under the Government of Canada’s Indo-Pacific Strategy, which seeks to expand Canada’s trade network in the region

Value created

- Fostered conditions for economic growth and prosperity
- Showcased CAE’s technology leadership and supported governments as the partner of choice for innovative solutions



Regulators

Regulators set standards and compliance guidelines crucial to CAE’s operations and market presence.

Operationally, we engage with aviation authorities during initial approval and subsequent regulatory compliance audits and in initial and recurrent qualification of CAE 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. We also contribute thought leadership in the areas of aviation safety and training, offering insights and guidance.

How we engaged in FY25

- Participant in the Federal Aviation Administration’s Air Carrier Training Aviation Rulemaking Committee and advisor to its Aviation Safety Analysis and Information Sharing Program
- Contributor to the International Civil Aviation Organization’s global standards via its Personnel Training and Licensing Panel and Advanced Air Mobility Advisory Group
- Advisor to the European Union Aviation Safety Agency’s Data4Safety Program and its Drones and UAM Technical Community, with renewal of Memorandum of Cooperation on innovation in our industry

Value created

- Helped shape industry standards and educational protocols, and contributed through thought leadership to help shape the future of the aviation safety ecosystem
- Influenced prioritization of safety and innovation through industry collaboration to address pilot training challenges

CAE's political action committee

CAE's political action committee (CAE-U.S. PAC) is overseen by the PAC Board comprised of U.S. nationals. This PAC Board represents both the company's structure and diverse composition. The PAC Board meets quarterly or more often, if necessary. The CAE-U.S. PAC was established in FY22 and exists only to advance the company's business interests in the U.S. All of its underlying actions strictly comply with applicable laws and regulations and 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 can be accessed by going to 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.

International

- ARINC Industry Activities (IA)
- Flight Simulator Engineering and Maintenance Committee (FSEMC)
- International Aerospace Environmental Group
- International Air Transport Association (IATA)
- International Civil Aviation Organization (ICAO)
- Open Geospatial Consortium (OGC)

U.S.

- Federal Aviation Administration
- General Aviation Manufacturers Association (GAMA)
- Helicopter Association International (HAI)
- National Business Aviation Association (NBAA)
- National Training and Simulation Association (NTSA)
- Regional Airlines Association (RAA)
- The American Institute of Aeronautics and Astronautics (AIAA)
- The Vertical Flight Society (VFS)
- The Wings Club

Europe, Middle East, Africa

- Canada–Greece Chamber of Commerce
- Canadian Chamber of Commerce in Hungary
- European Business Aviation Association (EBAA)
- European Union Aviation Safety Agency (EASA)
- German Aerospace Industry Association (BDLI)
- Royal Aeronautical Society (RAS)

Indo-Pacific

- Australian Industry Defence Network (AIDN)
- Australian Industry Group (Ai Group) – Member of Defence Executive Counsel
- Australian Institute of Company Directors (AICD)
- Australian Naval Institute (ANI)
- Defence Employer Partnering Network (DEPN)
- New Zealand Defence Industry Association (NZDIA)
- Project Management Institute (PMI) – Engineers Australia
- Sir Richard Williams Foundation

Canada

- Aéro Montréal, Quebec's aerospace cluster
- Aerospace Industries Association of Canada (AIAC)
- Air Transport Association of Canada (ATAC)
- Business Council of Canada (BCC)
- Business + Higher Education Roundtable (BHER)
- Canadian Advanced Air Mobility consortium (CAAM)
- Canadian Aeronautics and Space Institute (CASI)
- Canadian American Business Council (CABC)
- Canadian Association of Defence and Security Industries (CADSI)
- Canadian Business Aviation Association (CBAA)
- Canadian Global Affairs Institute (CGAI)
- Canadian Mobility and Aerospace Institute (CMAI)
- Centech
- Centre for Advanced Research and Training in Aerospace, Mobility and Space (CARTAMS)
- Civil Air Navigation Services Organization (CANSO)
- Comité sectoriel de main-d'œuvre en aérospatiale du Québec (CAMAQ)
- Con fiance IA
- H2CanFly
- Initiative for Sustainable Aviation Technology (INSAT)
- Institute for Data Valorization (IVADO)
- International Business Aviation Council (IBAC)
- La Guilde du jeu vidéo du Québec
- National Research Council of Canada
- NAV CANADA
- Scale AI
- The Coalition for Greener Aircraft
- The Consortium for Research and Innovation in Aerospace in Quebec (CRIAQ)
- Waterloo Institute for Sustainable Aeronautics (WISA)
- Women in Defence and Security Association (WIDS)
- Writer's Trust of Canada

Thought leadership

At CAE, we demonstrate sustainability leadership by actively sharing our expertise and engaging with stakeholders to drive positive change. Below are examples of our contributions.

Sustainability

Aéro Montréal's International Aerospace Innovation Forum

Joining forces to create long-term value for a sustainable industry

Presenting CAE's collaborative path to sustainability

Hélène V. Gagnon, panelist

Sustainability LIVE New York

Supply Chain Sustainability

Hélène V. Gagnon, speaker

Elite Wings Aviation Summit

Business aviation decarbonization

Hélène V. Gagnon, panelist

Farnborough International Airshow Espace Aéro

Pooling expertise to make Quebec a world leader in sustainable, intelligent air mobility

Hélène V. Gagnon, panelist

Farnborough International Airshow

Sustainability in Aerospace & Defense

Hélène V. Gagnon, panelist

Advanced Air Mobility (AAM) Symposium hosted by ICAO

Staffing the New AAM Ecosystem

Hélène V. Gagnon, panelist

Sustainability and ESG Leadership Summit New York

ESG and Net Zero Guidelines and the Way Forward

Hélène V. Gagnon, speaker

The SustainabilityX Magazine webinar

"What's Your X Factor: Bold Leadership Shaping the Future of Sustainability", honoring Global 50 Women in Sustainability

Hélène V. Gagnon, speaker

HEC Montreal

Measuring Beyond conference

Social impact at the heart of the sustainable transition

Hélène V. Gagnon, panelist

Novisto Annual Forum

Interactive panel: Value creation in ESG

Constance Drilhon, panelist

Aéro Montréal

Economic Trends Evening Seminar

ESG principles as levers for growth

Constance Drilhon, panelist

EY Canada

Preparing for Sustainability reporting in Canada (CSSB)

Constance Drilhon, panelist

Finance Montréal

Sustainable Finance Summit

Sustainability reporting in Canada

Constance Drilhon, panelist

Responsible supply chain

McGill University

Supply chain and eco-design lecture

Mylene Salama and Mau Hiep Nguyen, speakers

Aéro Montreal

Symposium on the Canadian Defence and Security Market

*Sustainability to Enhance Competitiveness
Presentation of Décarbône+*

Julien Rollier, speaker

Excellence industrielle

Collaboration Forum

The Resilience of the Sustainable Supply Chain

Julien Rollier, panelist

Excellence industrielle

Opportunities in Quebec's Supply Chains

CAE's Responsible Supply Chain

Julien Rollier, speaker

Chamber of Commerce of Metropolitan

Montreal

International Trade Acceleration Program

Sustainable Export: Navigating Regulatory Challenges

and Strengthening Supply Chain Resilience

Julien Rollier, speaker

Sustainable Finance Summit 2024

Chain of change: innovating for sustainability in global supply networks

Valérie Myers, panelist

DAIR To Innovate

Value chain collaboration in accelerating Sustainability efforts

Valérie Myers, panelist

McGill University

LCBEE Business Ethics Conference

Towards a Sustainable Aerospace Supply Chain: Challenges and Opportunities

Valérie Myers, panelist

Aviation safety

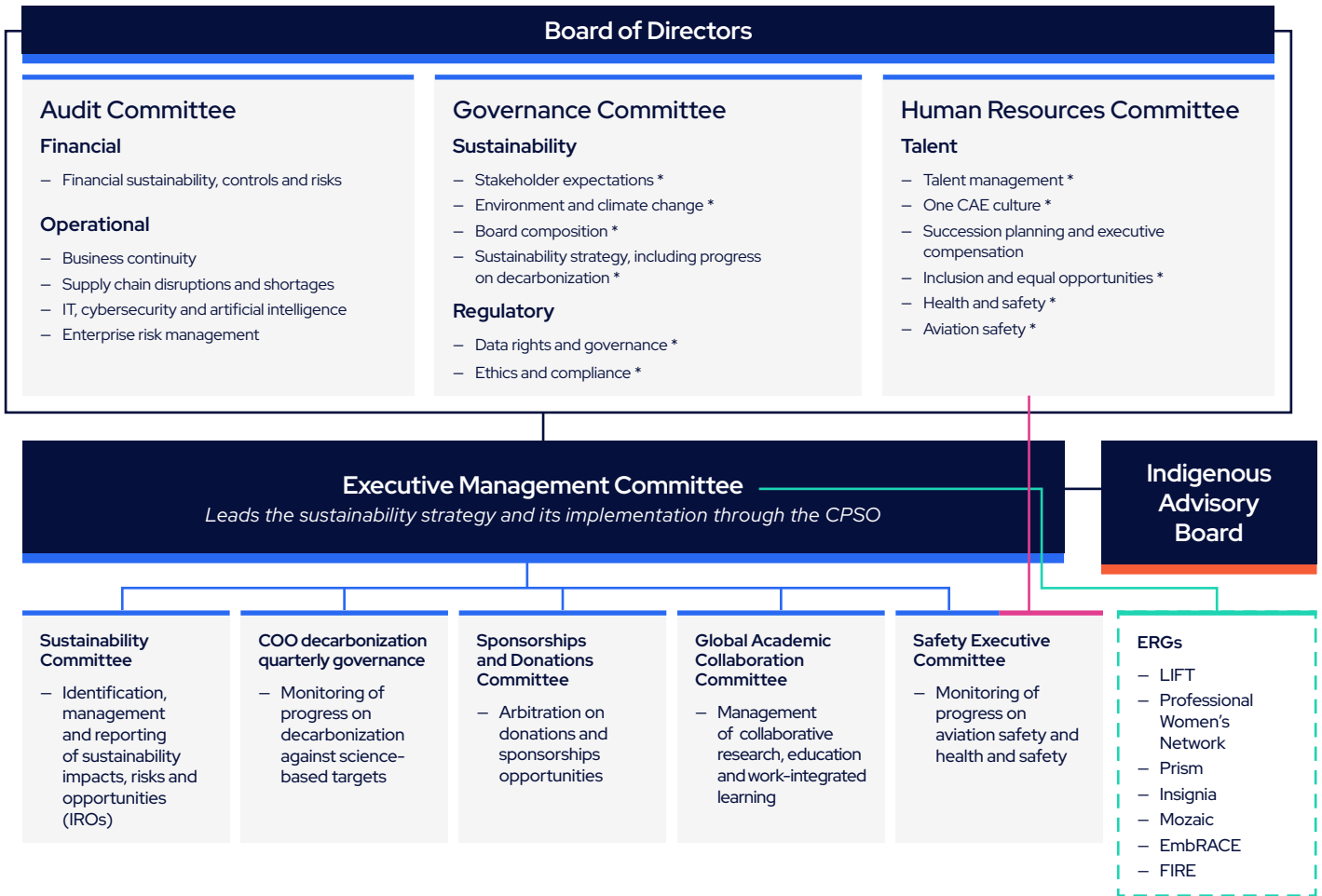
Bombardier Safety Standdown

Transformation to Scenario-Based Learning

Timothy Schoenauer, speaker

Sustainability governance

CAE's corporate governance is rooted in the basic principle that ethical practices lead to the sustainable value creation and preservation. Our sustainability goals emphasize social responsibility and align with our company's vision, values and mission, from the way we operate to how we do business – starting at the top, with the accountability of CAE's Board of Directors and Executive Management Committee (EMC).



Board of Directors

CAE's Board of Directors reviews, provides strategic guidance for and endorses major sustainability-related initiatives. Additionally, the Board approves the Global Annual Activity and Sustainability Report. Further details on Board roles and responsibilities are available in the [Corporate governance](#) section and in the [FY25 Management Proxy Circular](#).

The Board's Governance Committee receives updates three times a year on sustainability trends, market signals, pulses from all stakeholders and progress on CAE's sustainability strategy. These updates, which include advances on corporate disclosure of non-financial performance, are presented by the Chief People and Sustainability Officer (CPSO). ▶

* Sustainability-connected mandates of the Board of directors and its committees.

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 strategy.

The Board's Audit Committee performs a quarterly assessment of IT, cybersecurity and artificial intelligence risks and elements impacting internal control systems. The Committee has specific oversight responsibility for CAE's Enterprise Risk Management Policy framework, including sustainability-related risks.

The Board's 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. The Committee is also responsible for topics related to CAE's inclusive culture and monitors management's response to all related material issues. ■

Executive Management Committee

CAE's EMC is responsible for leading and managing the corporation in alignment with its strategic vision and direction and oversees the various functions and divisions of the business. Members share the responsibility of advancing CAE's multi-year sustainability strategy against objectives and specific targets. This involves revisiting our existing sustainability governance framework to identify and seize opportunities for improvement, aiming to enhance outcomes across the organization. The EMC receives bi-annual updates on sustainability trends.

As an EMC member, CAE's CPSO leads our sustainability agenda. She directs CAE's cross-functional sustainability strategy – gathering subject matter experts across the company to advance the sustainability roadmap and to aid in their reporting.

Sustainability Committee

The Sustainability Committee monitors industry trends and oversees the identification, management and reporting of the company's most significant sustainability impacts, risks and opportunities (IROs). Chaired by the CPSO, the Committee meets quarterly.

The Sustainability Committee includes members of the EMC and representation from CAE's business units (BUs) and all functions having ownership of direct or indirect sustainability IROs.

In addition to the Sustainability Committee, working groups deal with various sustainability risks such as human rights. The CPSO, Chief Legal and Compliance Officer and Corporate Secretary are responsible for the related risk management program and policy.

The role was expanded in FY25 to lead the Human Resources function, with the objective of strengthening CAE's culture and improving talent management and employee engagement practices.

Emphasizing the importance of environmental and social value creation, sustainability criteria factor into the performance reviews and compensation of CAE's President and Chief Executive Officer (CEO). The CEO and EMC are assigned individual sustainability objectives tailored to their respective areas of accountability.

Detailed information about the compensation of the EMC, which reflects these considerations, can be found in our [FY25 Management Proxy Circular](#).



COO decarbonization quarterly governance

Under the oversight of our Chief Operating Officer (COO), Civil Aviation and Defense & Security leadership teams meet quarterly to define and measure the progress of the BUs' decarbonization strategies and take further action. They work closely with the Global Procurement and Supply Management, Real Estate, and Environment and Climate Change teams to explore and deploy decarbonization opportunities.

Further detailed in [Climate change mitigation – decarbonization](#).

Safety Executive Committee

The Safety Executive Committee, chaired by the CPSO, oversees safety performance across BUs. The committee, which includes the COO and Division Presidents, reviews health and safety as well as aviation safety performance and risks, and audit recommendations.

It ensures compliance with internal management systems and local regulations and discusses how to continuously strengthen the safety culture across the organization. Regular updates are provided to the CEO and management teams to evaluate overall performance.

Further detailed in [Occupational health and safety](#) and [Aviation safety](#).



Environment



3
Good health
and well-being



8
Decent work and
economic growth



13
Climate
action

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 future effects of climate change to minimize harm and capture potential transition benefits. As there is no 'one-size-fits-all' applicable approach, CAE needs to dynamically assess impacts, vulnerability and risks that climate change poses for its customers, employees and assets through its operations and supply chain activities.

With the increasing frequency and amplitude of weather events, stakeholders including governments, investors and companies are acutely aware of the importance of integrating climate-resilient measures along with greenhouse gas emissions reduction targets into their business strategies and decision-making in accordance with the climate change mitigation approach.

CAE employs approximately 13,000 people and operates a network of around 240 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 the security of physical infrastructures.

As one of our fundamental responsibilities, we pledge to continue to play our active role in the identification and management of material climate-related risks and opportunities. Through adaptation measures, and by contributing as one of our industry's sustainability catalysts and partner to our suppliers, we mitigate risks and derive business value for CAE stakeholders.

Governance

Through the annual strategic plan process, 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 our quarterly Enterprise Risk Management report.

The Governance Committee of the Board 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 their 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 support the Committee in implementing strategic decisions. EMC members, leaders who supervise various teams and core functions, ensure that the appropriate resources are in place to mitigate the risks identified.

Management approach

We undertake regular assessments and analyses to ensure CAE's continued diligence on climate change adaptation. In FY22, the Climate Change Committee first completed comprehensive risk assessment deep dives at six CAE facilities representative of CAE's activities and global footprint under a low and a high warming scenarios to identify and assess physical and transition risks. We then leveraged this initial assessment to further understand our risk exposure and define further actions. In accordance with our Climate change adaptation roadmap, in FY24, the Board of Directors and EMC members were trained on climate risks and opportunities in the context of our organization and industry. The same year, CAE also conducted a pilot project using climate risk indicators across a sample of its global network to estimate the financial impacts of key climate-related risk, aiming to inform future resilience planning and decision-making.

In FY25, we conducted a global physical climate change risk assessment which includes the review of potential vulnerabilities of our operations worldwide. This assessment is using the two following scenarios:

- **SSP2-4.5:** in this blended scenario, temperatures rise by more than 2°C by the end of the century. This scenario is referred to as "middle of the road" with high challenges to mitigation and adaptation.
- **SSP5-8.5:** referred to as "business as usual," this scenario represents the pathway with the highest level of greenhouse gas emissions, where there are high challenges to mitigation and low challenges to adaptation.

Our next steps involve building upon these conclusions to craft a global adaptation plan and, where necessary, with a deeper focus on localized risks that warrant heightened consideration.

To better manage the physical impact of severe weather events, a review of sites' vulnerabilities to climate change has been integrated into the Emergency Response Plan standard template currently deployed throughout CAE's network.

Our performance

Progressing towards CSRD and IFRS S1 and S2 aligned reporting

In FY25, as we prepare for reporting under the Corporate Sustainability Reporting Directive (CSRD) and the International Financial Reporting Standards (IFRS) aligned with approach of the Task Force on Climate-related Financial Disclosures (TCFD), we transitioned away from reporting under the TCFD. As we progress on assessing our sustainability risks under the double materiality approach, we consolidated our climate-related risks and opportunities in subsets that make more sense from a financial materiality perspective. ▶

Risk or opportunity statement ¹	FY24 TCFD report risks	Potential financial impact (on the long term – 2050 and beyond)
Risks		
<ul style="list-style-type: none"> › More frequent and severe climate physical events (e.g. hurricanes, forest fires, floods) could affect our customers, employees and assets. CAE could also face rising local taxes and a lower level of public services due to the possible deterioration of infrastructures maintenance. 	<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 › Increase of other operating costs 	<ul style="list-style-type: none"> › Increased operating costs › Loss of current and backlog revenues › Decreased return on investment › Loss of market share
<ul style="list-style-type: none"> › Disruption of the value chain caused by severe weather events or geopolitical situations induced by climate change, leading to the inability to obtain critical materials and components for operations. 	<ul style="list-style-type: none"> › Supply chain disruption › Insufficient energy and raw resources 	<ul style="list-style-type: none"> › Increased operating costs › Loss of current and backlog revenues
<ul style="list-style-type: none"> › The increased cost of energy due to rising prices of fossil fuels (including aviation fuel), potential carbon taxes, changes in regulations and/or changes on the renewable energy market could negatively affect CAE's profitability. 	<ul style="list-style-type: none"> › More expensive resources › Carbon pricing 	<ul style="list-style-type: none"> › Increased operating costs
Opportunities		
<ul style="list-style-type: none"> › In the context of potential fossil fuel shortages or supply restrictions, CAE's diverse energy mix could stabilize business continuity while helping the organization reduce the risk of increased operational costs. 	<ul style="list-style-type: none"> › Energy resilience 	<ul style="list-style-type: none"> › Cost savings
<ul style="list-style-type: none"> › Regulatory adjustments or changes in customer training needs in CAE's global markets could increase demand for simulation-based training, including training content aimed at reducing fuel consumption and generating fewer contrails. 	<ul style="list-style-type: none"> › Development and/or expansion of low-emission goods and services 	<ul style="list-style-type: none"> › Increased revenue through higher demand
<ul style="list-style-type: none"> › The growing market of low carbon transportation through Advanced Air Mobility and electric Vertical Take-off and Landing (eVTOL) expands CAE's addressable market. 	<ul style="list-style-type: none"> › Access to new markets 	<ul style="list-style-type: none"> › Increased revenue through demand for new products and services

¹ As per European Financial Reporting Advisory Group guidance on double materiality exercise.

Please note that a sample of the risks and opportunities formerly included in CAE’s FY24 TCFD report have been excluded from this reporting:

- A portion has been redistributed as additional drivers of specific CAE’s enterprise risks and as such, are now governed through the Enterprise Risk Management framework.
- A portion has been excluded since assessed as not material enough to be reported at this stage. They remain monitored through the emerging risks monitoring process.

For more information about the last TCFD report – including CAE’s entire reporting process implemented since FY20, refer to the [FY24 Global Annual Activity and Sustainability Report](#), p. 190. ■



Climate change adaptation roadmap

Associated SDGs



Key result	Target year	Status
> Quantification of most important climate-related risks	FY26	■ On track
> Deployment of climate change resilience guidelines across CAE’s network	FY28	■ On track

Carbon impact

Why it matters

Understanding and managing our carbon impact are imperative to CAE's sustainability strategy and inform our decision-making.

We began measuring our carbon inventory in 2017 to gain a comprehensive view of our environmental footprint. The process of measuring and quantifying our greenhouse gas (GHG) emissions allows us to identify areas of improvement and serves as a foundation for the implementation of strategic emissions reduction initiatives.

With achievement of carbon neutrality as an initial milestone in 2020, CAE set our expectations higher to do our part on a greater level. In 2024, we shifted our focus from carbon neutrality to direct emissions reduction to align with scientific recommendations for climate action. With our commitment to the Science Based Targets initiative (SBTi), we ceased the purchase of carbon offset credits to focus on our own decarbonization. Please refer to the [Climate change mitigation - Decarbonization](#) section for further details.

By continuing to broaden our reporting scope, CAE demonstrates our commitment to ongoing improvement, transparency and regulatory compliance – all highly material to the values and success of our organization.

Management approach

CAE's GHG emissions management strategy involves a comprehensive process that aligns with the GHG Protocol and a global carbon management framework that encompasses several key components, as outlined below.

Carbon inventory

We began by identifying and measuring emissions from all sources within the organization, including direct (Scope 1), indirect (Scope 2) and value chain emissions (Scope 3). Our initial reporting addressed Scope 1 and 2 emissions.

In 2019, CAE announced our commitment to become carbon neutral. Upon achieving this goal in 2020, we expanded our reporting to include partial Scope 3 emissions (employee air business travel).

Scope 3 categories currently considered material for CAE include fuel- and energy-related activities, commuting, business travel, purchased goods and services, capital goods, and use of sold products.

As of the next reporting year, we plan to include emissions from investments as a new Scope 3 category, in alignment with the GHG Protocol's definition of category 15, which covers emissions from investments not already included in Scopes 1 or 2. ▶



Reduction strategies

We set realistic and science-based emission reduction targets that align with our broader organizational goals and with the latest climate science.

CAE’s near-term FY33 targets, approved by the SBTi in autumn 2024, guide our strategic initiatives and ensure that our efforts are both ambitious and achievable.

For further details on CAE’s decarbonization strategy, refer to the [Climate change mitigation - Decarbonization](#) section. ■

Nature of Scope 1, 2 and 3 emissions (FY25)

Scope 1 > 17,804 tonnes of CO₂e

GHG emissions from sources that are owned or controlled by CAE.



– Aviation fuel (64%)



– Buildings (34%)



– Fuel for company cars and buses (1%)

Scope 2 > 65,906 tonnes of CO₂e (Location-based)

GHG emissions resulting from the generation of electricity.



– Electricity for buildings and simulators (98%)



– Steam, heat and cooling (2%)

Scope 3 (partial) > 372,214 tonnes of CO₂e

GHG emissions from sources not owned or directly controlled by CAE but related to CAE activities¹.



– Purchased goods and services & Capital goods (53%)



– Fuel- and energy-related activities (5%)



– Business travel (5%)

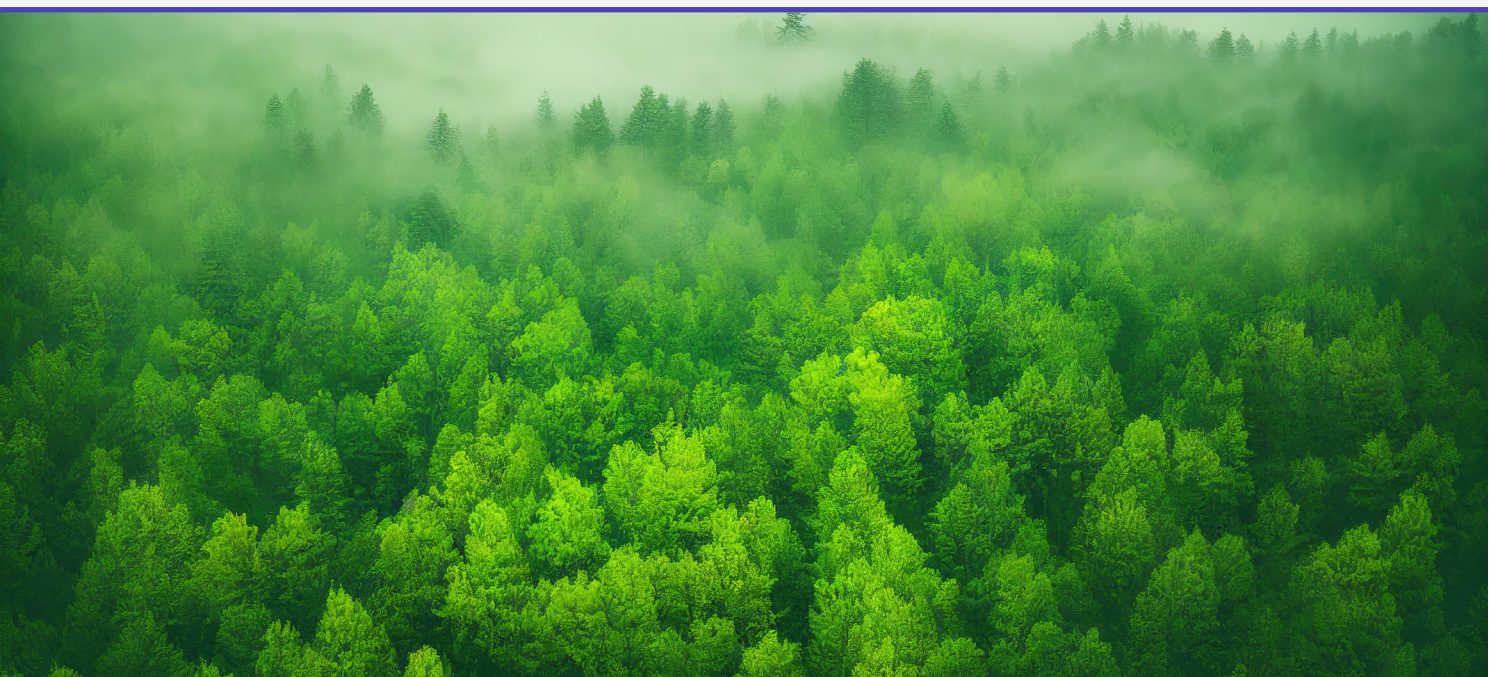


– Employee commuting (1%)



– Use of sold products (36%)

¹ Initial estimates partially based on spend



Our performance

Strengthening carbon inventory

In FY25, we continued to reinforce robustness of internal data collection processes by integrating quarterly internal verifications, ensuring even more precise and documented carbon inventory disclosure to prepare for future third-party assurance of our Scope 1 and 2 data.

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

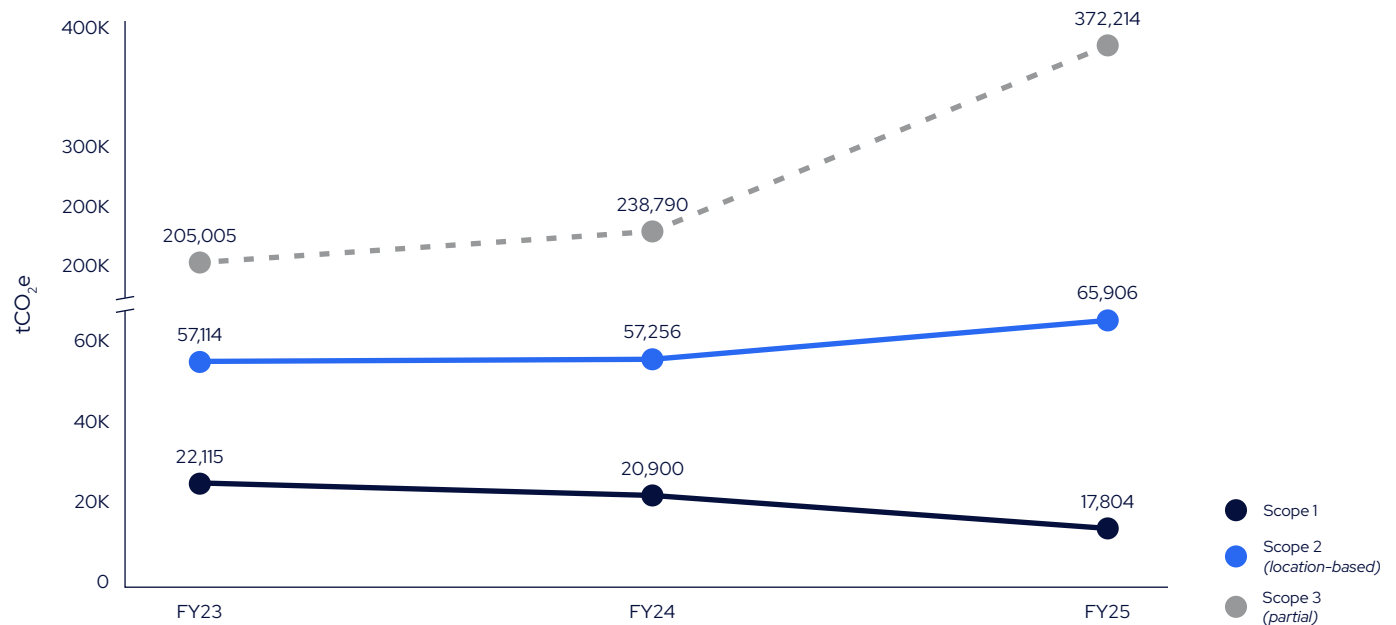
Extending Scope 3 reporting to use of sold products

Aligned with our commitment to transparent and accurate disclosure of all sources of material emissions, CAE is now reporting a new category of emissions from our value chain associated with the use of products we sell.

Category 11 (use of sold products) covers direct use-phase emissions from the electricity consumed over an average lifespan of 10 to 25 years by products sold and shipped by CAE during FY25, depending on the type of product or training device. Use profiles are based on the different markets for which CAE provides training.

Through this additional calculated category, we aim to provide an even more comprehensive view of our environmental impact and help customers assess their carbon footprint, ultimately driving innovation in energy efficiency. CAE is continually improving the design of our simulators to foster energy efficiency and consequently reduce emissions. For further details, refer to [Responsible resource use](#). ▶

Trend of Scope 1, 2 3 emissions



GHG emissions year-over-year analysis

When excluding the newly measured Scope 3 category use of sold products, CAE’s total GHG market-based emissions¹ remained relatively stable year over year, decreasing by 0.88% to 261,244 tonnes of carbon dioxide equivalent (tCO₂e) in FY25 compared to 263,790 tCO₂e in FY24.

Use of sold products added 132,961 tCO₂e to our global carbon inventory, bringing total market-based emissions to 394,205 tCO₂e.

The breakdown below presents the evolution of carbon emissions across each reported scope and category. ■

FY25	FY24	Variance (%)	Explanation
Scope 1 GHG emissions			
17,804 tCO ₂ e	20,900 tCO ₂ e	(15%)	<p>Aviation fuel-related emissions declined by 13% in FY25. This reduction is attributed to several factors, with the trends varying across different locations.</p> <p>At the CAE Phoenix Aviation Academy (U.S.), increased use of flight simulators and a revised training curriculum reduced the requirement of fuel-intensive aircraft significantly contributed to the decline in carbon emissions. Operations in CAE Oxford (U.K.) closed and inclement weather led to fewer flight hours at CAE Gondia (India), further contributing to the overall decrease in emissions.</p> <p>Conversely, the launch of new helicopter training activities at the CAE Dothan Training Center (U.S.) partially counterbalanced these reductions.</p>
Scope 1 and Scope 2 GHG emissions (location-based¹)			
83,710 tCO ₂ e	78,156 tCO ₂ e	7%	<p>Location-based Scope 1 and 2 emissions increased by 7% this year, primarily due to the 10% growth in CAE’s activities .</p> <p>New facilities opened in Sydney (Australia) and Tampa (U.S.) while recently opened sites in Las Vegas (U.S.) and Savannah (U.S.) ramped up operations. Additionally, the consolidation of SIMCOM² contributed to an increase of 2,538 tCO₂e to our GHG inventory.</p> <p>However, this growth was partially neutralized by carbon reduction initiatives across our real estate portfolio and the procurement of renewable electricity. These efforts contributed to an 11% decrease in Scope 1 and 2 market-based emissions, despite an overall increase of 10% in CAE’s activities, as per revenue generated.</p> <p>While difficult to standardize the impact of climate across CAE’s global network, increased energy consumption occurred in some geographies following extreme heat or cold waves. This pattern highlights the influence of weather variability on GHGs.</p>
Scope 3: Categories 1 and 2 – Purchased goods and services / Capital goods			
199,107 tCO ₂ e	199,124 tCO ₂ e	0%	<p>Despite an increase in CAE’s business activities and global spending, carbon emissions related to purchased goods and services, and capital goods (Scope 3 categories 1 and 2) remained steady at 199,107 tCO₂e in FY25, mainly due to a significant spending reduction in construction, which is highly carbon-intensive, and the transition to a more precise hybrid calculation method.</p>
Scope 3: Category 3 – Fuel- and energy-related (not already included in Scopes 1 or 2)			
18,820 tCO ₂ e	17,450 tCO ₂ e	8%	<p>Emissions increased by 8% this year, in line with the rise in location-based Scope 1 and 2 emissions. This increase was primarily driven by higher electricity consumption across our operations, resulting from increased activity and the expansion of facilities within CAE’s network. ▶</p>

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

2 [Press Release](#)

FY25	FY24	Variance (%)	Explanation
Scope 3: Category 6 – Business travel			
16,186 tCO ₂ e	17,102 tCO ₂ e	(5 %)	A slight decrease (5%) in our business travel-related carbon emissions was observed. This reduction was driven by a decrease in travel and the enforcement of our travel policy.
Scope 3: Category 7 – Employee commuting			
5,140 tCO ₂ e	5,114 tCO ₂ e	0.5%	Employee commuting emissions remained stable this year despite the decrease of remote work.
Scope 3: Category 11 – Use of sold products – First time disclosure			
132,961 tCO ₂ e	N/A	N/A	This is a newly measured Scope 3 category. The average consumption estimates are based on the design specifications of CAE's full-flight simulators and flight training devices and average use data. Carbon emission factors are derived from the national grid average of the destination where the simulators were shipped.
Total GHG emissions (location-based) – Excluding Category 11 – Use of sold products			
322,963 tCO ₂ e	316,946 tCO ₂ e	1.9%	N/A
Total GHG emissions (market-based) – Excluding Category 11 – Use of sold products			
261,244 tCO ₂ e	263,790 tCO ₂ e	(1%)	When excluding the newly measured Scope 3 category, CAE's total GHG market-based emissions ¹ remained relatively stable, showing a slight (0.88%) decrease year over year.
Total GHG emissions (market-based) – Including Category 11 – Use of sold products			
394,205 tCO ₂ e	263,790 tCO ₂ e	49%	This newly measured category added 132,961 tCO ₂ e to our global carbon inventory, bringing total market-based emissions to 394,205 tCO ₂ e.

Carbon impact roadmap

Associated SDGs



Key result	Target year	Status
<ul style="list-style-type: none"> Get third-party limited assurance of Scope 1 and 2 data, as per ISO 14064 	FY26	■ On track
<ul style="list-style-type: none"> 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

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

Climate change mitigation – decarbonization

Why it matters

Climate change is one of the most pressing global challenges facing future generations. Climate change mitigation and decarbonization are closely intertwined, with decarbonization serving as a key strategy for achieving mitigation goals by significantly reducing or eliminating carbon dioxide emissions (CO₂e) and other greenhouse gas (GHG) emissions, the primary drivers of climate change.

Our industry, by its very nature, necessitates concerted action to decarbonize and has made a commitment to mitigating climate impacts. We must do our part. Recognizing this, CAE is steadfast in its dedication to furthering decarbonization efforts, understanding that every step taken is vital in the context of global climate action.

Through multiple partnerships and our pursuit of innovative sustainable solutions, we support our customers and contribute to the aviation industry’s pledge to reach net zero carbon emissions by 2050. Being part of our customers’ Scope 3 emissions, we persist in our emissions reduction efforts and collaborate with customers to capitalize on sustainable business opportunities.



Governance

In addition to the oversight accountabilities of CAE’s Board of Directors and the supervisory role of the Chief People and Sustainability Officer, governance responsibilities regarding our decarbonization strategy extend to multiple internal stakeholders.

Also see [Sustainability governance: Sustainability Committee](#).

The decarbonization governance framework at CAE is designed to ensure the effective monitoring and reporting of GHG emissions reduction initiatives. The governance structure involves quarterly reviews with our Chief Operating Officer and Business Division Presidents, as well as bimonthly governance meetings to assess the progress of decarbonization plans at each site.

Additionally, progress is reported on a quarterly basis to the Sustainability Committee, which serves as a focal point for key functions, enabling alignment to fulfill the objectives outlined in the decarbonization roadmap. CAE’s Chief Technology and Product Officer ensures sustainability starts at the product development level, a mandate shared with the Division President, Defense & Security (D&S) Canada, and Global Operations Lead.

Furthermore, within the Global Procurement and Supply Management (GPSM) group, a dedicated team oversees the sustainability journeys of our suppliers and supervises the decarbonization of their operations. Their efforts complement those of our Environment and Climate Change group, who analyzes and identifies reduction opportunities in the other Scope 3 emissions categories.

As a measure approved under this decarbonization governance framework, we developed a shadow internal carbon price (ICP) process to factor environmental criteria into CAE’s capital allocation decisions, M&A evaluations and R&D product innovation investment books. Deployment is starting in FY26 and will influence how we allocate resources and assess risks.

Management approach

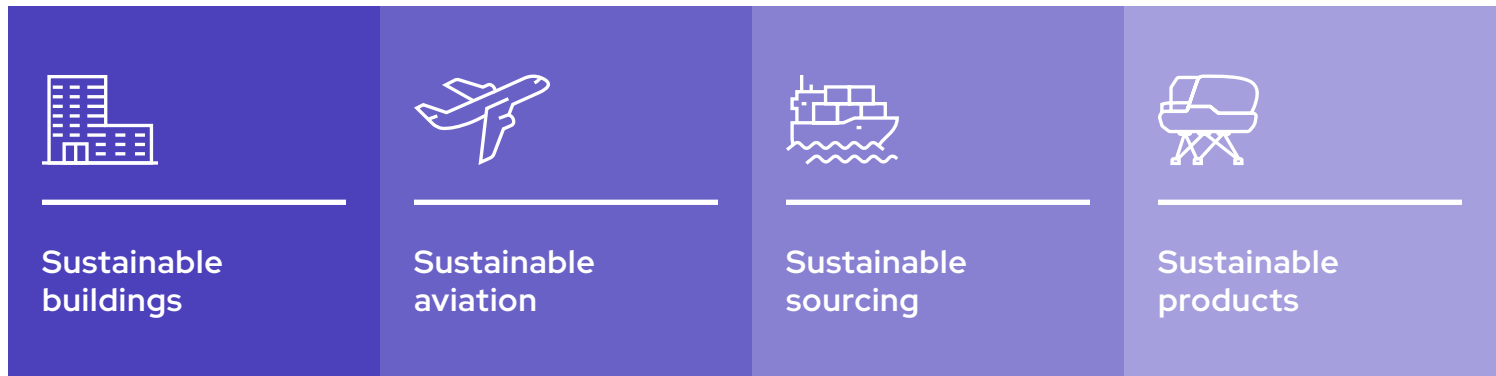
Decarbonization strategy organized under four main streams

We developed our first decarbonization plan in 2022, with the purpose of reducing CAE's carbon footprint.

We have since progressed in our strategy to reduce our GHG emissions at the source, pursuing opportunities organized in four streams. This strategy guides the tactical decarbonization plans of our Civil Aviation and D&S business units (BUs), which are designed to secure progress toward CAE's FY33 science-based emission reduction targets.

They are empowered and supported by our Environment and Climate Change group and are now accountable for capital allocation decisions and progress against their plans up to 2033.

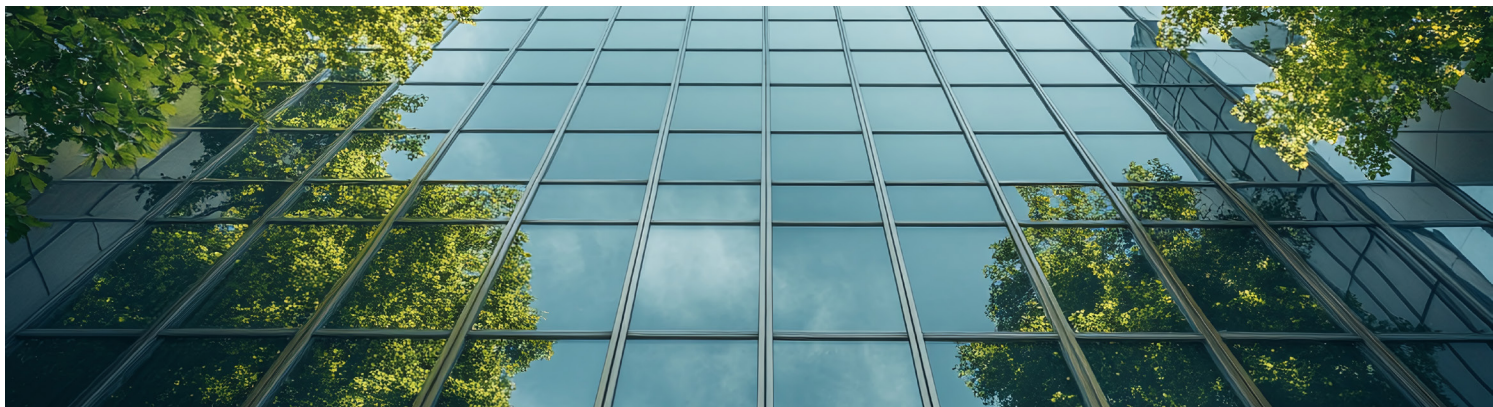
Actions are attached to each pillar and regularly tracked, with ownership and execution embedded in each BU.



Sustainable buildings

Through sustainable buildings, a key stream in CAE's decarbonization strategy, we aim to capture energy efficiencies and economies within our real estate portfolio by focusing on resource efficiency, energy conservation and the use of sustainable materials. ►

Further detailed in [Energy](#).



Sustainable aviation

Electric aircraft

In 2022, CAE announced an electric conversion program for our Piper Archer fleet. Together with our partners, Piper Aircraft, Safran Electrical & Power and H55, we are building the future of flight. This includes creating an electrical conversion kit for third parties and developing a training curriculum and support services for the electrified Piper Archer aircraft.

By electrifying a portion of the training fleet we operate in our flight academies worldwide, CAE will realize significant carbon emission reductions. This initiative directly addresses a significant portion of our Scope 1 carbon emissions by curbing aviation fuel consumption.

In FY25, we entered an important new phase of the program with the successful arrival of our flight test vehicle and completion of ground vibration testing. We are now ready to install the equipment needed to transition to electric propulsion and proceed with further testing.



Sustainable sourcing

Our ability to deliver on our strategy depends on the performance of our value chain.

We embed sustainability criteria into our sourcing processes to better reflect the total cost of doing business with current and potential suppliers.

CAE Resilient Together

CAE Resilient Together, our Supply Chain Performance Management Program, positions sustainable practices at the core of our resiliency endeavours. The program emphasizes driving innovation to reduce carbon emissions and enhance sustainability practices.

We start by taking into account our suppliers' current maturity levels and build upon those to elevate their awareness and build their capabilities to reach a common standard. Then we work together to unlock value.

Working hand in hand, CAE assists suppliers in calculating their carbon footprint, formulating decarbonization strategies, implementing carbon reduction targets and achieving their goals. We support them in transitioning to renewable energy, reducing energy consumption and implementing eco-design practices into their manufacturing processes.

Also see [Responsible supply chain management](#).

Local sourcing and logistics optimization

Local sourcing is a primary criterion in CAE's supplier selection.

Also see [Responsible supply chain management](#).

Logistics are also critical to how we lower the environmental impact of our operations and supply chain, from packaging to routes, to promote sustainable and responsible business practices.

Sustainable products

By their very design, our simulation-based training and digital solutions reduce the operational carbon impact of our customers, and we continually pursue additional avenues to further incorporate sustainability into our portfolio.

By integrating advanced technologies and innovative solutions, CAE enables customers to reduce their carbon footprint, enhance energy efficiency and achieve their decarbonization goals. ▶

Immersive simulation and technologies

As the core of our global manufacturing and flight training activities, simulators are a key element to our decarbonization strategy. By using CAE full-flight simulators for pilot training in our Civil Aviation BU, over five million tonnes of CO₂e emissions are avoided per year when compared to the use of live aircraft for training purposes.

Additionally, CAE has invested in incorporating eco-design features to help reduce the carbon footprint of our training operations.

Training curriculums

Under our aviation training program, pilots learn techniques to reduce fuel consumption by considering weather conditions, step-down altitude and/or flight phase (taxiing, landing).

In addition to fuel efficiency, we are pursuing the development of training that helps pilots use weather forecasts or adjust their flight routes to prevent the climate change impact of contrails.

In our Civil Aviation Flight Training Organization, we increased the use of full-flight simulators in our advanced training curriculum, a move that enhances pilot proficiency and significantly contributes to our sustainability goals.

CAE Rise and adaptive training

As the industry moves toward competency-based training and adaptive learning, our vision is for CAE Rise to become the foundation of the training management ecosystem.

Unbiased feedback processed through the CAE Rise training system delivers actionable training intelligence and provides precise real-time input throughout the training process. By leveraging those insights to streamline curriculums, CAE Rise enables enhanced training efficiency and reductions in carbon-emitting training activities. ■

Our performance

GHG emission reduction targets approved by the SBTi

The official approval of CAE's short-term GHG emission reduction targets by the Science Based Targets initiative (SBTi) in September 2024 underscores CAE's commitment to align with the latest climate science and to take meaningful action to reduce our impact on climate change.

By FY33, CAE commits to decreasing:

Our operations

Scope 1 and 2 emissions¹

85.7%



Our value chain

Scope 3 emissions¹

32.5%

The SBTi defines best practices, provides resources and guidance, and helps companies set emissions reduction targets. The organization's goal is to mobilize the private sector to take the lead on urgent climate action. ►

¹ Base year for Scope 1 and 2 target: FY19; base year for Scope 3 target: FY22. Scope 3 target is applicable to only the following categories: purchased goods and services, capital goods and fuel and energy related activities.

BU's set Scope 1 and 2 reduction plans

In FY25, our BUs developed their respective Scope 1 and 2 reduction plans. CAE's business units have developed their decarbonization plans through comprehensive analyses conducted at local sites where we operate and where our GHG emissions impact is most significant. This endeavor required the invaluable support of local teams to identify opportunities, assess feasibility, and escalate critical decisions to the leadership of the business units.

With tactical decarbonization plans in place, our Civil Aviation and D&S BUs assume accountability to secure progress within the scope of their projects toward FY33 emission reduction targets set against CAE's FY19 baseline. These plans leverage our current initiatives underlined under the four pillars of our current global climate mitigation strategy.

Shadow internal carbon price (ICP) strategy

While having a decarbonization strategy is key, embedding carbon emissions management into forward-looking decisions is also important. In FY25, we developed a shadow ICP process, a strategic initiative aimed at ensuring sustainable growth of the business while achieving our decarbonization science-based targets. This collaborative project, involving teams in Finance; Sustainability Strategy and Reporting; Environment and Climate Change; and GPSM, marks a significant step in our commitment to reducing GHG emissions at the source and integrating carbon considerations into our business decisions.

The shadow ICP process is designed to equip the business leaders to integrate the carbon emissions associated with growth projects and the future investments needed to reduce them. By implementing a shadow price as an awareness tool, we provide visibility on project emissions and on the costs associated with eliminating them for better informed business decision-making.

This new process will help the organization achieve better investments, including through lower carbon at controlled cost and further opportunities for operational expense reductions. This mechanism supports our approach that the organization's growth becomes less and less carbon intensive, more resilient and sustainable.

The shadow ICP is not about reporting – it is about decision-making. Our ICP process reinforces the connection between sustainability performance and financial outcomes.

As of April 1, 2025, the shadow ICP process is starting to be integrated directly into CAE's capital investment decisions and M&A evaluations. The ICP process will be operationalized in connection with the deployment of BU decarbonization plans up to 2033, with continuous monitoring of progress against GHG emission reduction targets.

Expansion of Scope 3 emissions reporting and comprehensive reduction plan

This year, we expanded CAE's Scope 3 emissions reporting to an additional category: use of sold products, and initiated work on a comprehensive multi-year plan to reduce Scope 3 emissions from purchased goods and capital goods. The plan focuses on several channels structured around a critical path that aligns with our next generation products development projects. ►

Decarbonizing Quebec's SMEs: CAE and Décarbône+ partnership

In April 2024, CAE cofounded the non-profit organization Décarbône+ with partners Hydro-Québec, Desjardins and Énergir to extend the reach of our Resilient Together Program and accelerate the decarbonization of small and medium-sized enterprises (SMEs) in Quebec. As an additional positive outcome, we anticipate the Décarbône+ initiative will reduce CAE's Scope 3 emissions.

Through Décarbône+, CAE suppliers access capital and subsidies funding decarbonization initiatives identified through Resilient Together. This effort unites prime leaders with their suppliers in an innovative approach that ensures end-to-end consistency.

Prime leaders provide the vision, support and tools necessary to empower suppliers to achieve their decarbonization goals. Support includes knowledge transfer, practical assistance, resource provision and the involvement of external consultants.



Décarbône+ first cohort

In collaboration with Décarbône+, CAE launched the first decarbonization cohort in September with Aéro Montreal, an aerospace cluster, and COESIO, a sustainability consulting firm. The cohort, which consisted of SMEs in the aerospace sector, strategic to CAE, focused on implementing sustainable practices and reducing carbon emissions.

Suppliers participated in workshops dedicated to eco-design to help reduce emissions generated by their products and training sessions. These sessions enabled them to identify concrete actions to reduce the environmental impact of both their products and operations.

Décarbône+ played a key role by offering structured support that included:

- Customized individual diagnosis to help companies better understand their emissions and possible reduction levers.
- Access to a network of experts in decarbonization, eco-design and energy efficiency.
- Support in searching for financing, which is essential to ensuring the long-term profitability of the suppliers' projects.

In FY26, a new cohort will be launched to support another group of suppliers in decarbonizing their operations.

CAE Resilient Together highlights

Over 90% of CAE's strategic suppliers representing about 98% of our spend participated in CAE Resilient Together in FY25, collectively covering the vast majority of our direct spend.

Projects undertaken with our most strategic suppliers through this joint effort realized significant benefits.

Activities associated with innovation projects resulted in increased productivity, reduced fuel consumption and greater energy efficiency. Four projects achieved a total of more than 100 tonnes of CO₂e in carbon savings. Of the four, one also captured cost savings of \$420,000 from reduction in material use. Two projects benefitted from cost avoidance: 10% due to manufacturing process modifications for one and \$30,000 from improvements in technique for the other.

Projects related to realizing benefits through environmental regulatory compliance, evaluation of supplier maturity and certification of energy usage as renewable netted more than \$300,000 in annual cost avoidance.

CAE was honoured to receive from EcoVadis the award for Highest Supplier Response Rate in the International Aerospace Environmental Group (IAEG) network. This recognition demonstrates the unparalleled engagement of our suppliers and is a testament to the success of the CAE Resilient Together program. ■



Climate change mitigation – decarbonization roadmap

Associated SDGs



Key result	Target year	Status
<ul style="list-style-type: none"> Develop and start deployment of the detailed decarbonization and renewable energy procurement plan aligned with GHG emission reduction targets approved by SBTi and RE100 	FY25	■ Achieved
<ul style="list-style-type: none"> Complete the first wave of the GHG reduction program with suppliers 	FY26	■ On track
<ul style="list-style-type: none"> Complete the second wave of the GHG reduction program with suppliers 	FY28	■ On track
<ul style="list-style-type: none"> Deploy decarbonization plan throughout CAE’s operations and supply chain, aiming at achieving short-term science-based targets 	FY33	■ On track

Energy

Why it matters

The energy consumed in CAE's global buildings network represents around 80% of our Scope 1 and 2 emissions, with annual electricity consumption 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 transitioning to renewable energy and applying sustainable practices in the management of our real estate portfolio.

Management approach

Energy consumption

CAE uses different types of energy to power our operations, including electricity, natural gas, diesel, propane and aviation fuel. Some of our sites have been generating electricity through solar panels, with new projects underway. Across our network, CAE aims at gradually transitioning from non-renewable energy (e.g. natural gas) to low carbon electricity, in line with our science-based targets and associated decarbonization plan.

Our FY25 energy consumption is further detailed in our [GRI indicators](#).

Electricity consumption

In 2023, we became a member of [Climate Group's RE100](#), joining over 400 companies worldwide in the commitment to transition to 100% renewable electricity by 2050. CAE's involvement underscores the seriousness of our achievements and dedication, and reflects the ambition and credibility of our path and targets.

Currently, facilities under our operational control are sourced by renewable electricity, either through on-site consumption¹ or by purchasing Energy Attribute Certificates (EACs), where available within market boundaries or from neighbouring markets.

EAC procurement strategy

EACs are instrumental in CAE's sustainability strategy, enabling us to endorse renewable energy projects and effectively reduce our carbon emissions. We choose EACs aligned with [RE100 technical criteria](#) to ensure quality in our selection and purchase (e.g. [Green-e](#), Guarantees of Origin, Renewable Energy Guarantees of Origin).

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

Sustainable buildings

Sustainable buildings, one of the four streams under CAE's decarbonization strategy, focuses on capturing energy efficiencies and economies in our real estate portfolio.

For existing buildings, this involves integrating eco-performance criteria into our asset maintenance and replacement process to optimize their total footprint. We work with these sites to reduce CAE's carbon footprint, leveraging energy audits and long-term capital expenditure plans to identify projects that make sense from an environmental and financial standpoint. Advanced project planning results in well-defined requirements and an efficient design process.

For newly constructed buildings, our strategy entails proactive engagement. We seek to reduce energy consumption and enhance carbon emissions management from the pre-design phase onward. Our Sustainable Building Guidelines optimize design and construction practices to achieve our goal of energy efficiency. We continue to broaden these guidelines, as of FY24 requiring that all new constructions obtain an energy certification recognized by the [World Green Building Council](#).

Our Global Real Estate team also provides guidance to all our facilities to optimize energy use and maximize equipment performance, through direct support and with the CAE Best Practices Energy Guide.

¹ For FY25, CAE's reporting is aligned with the RE100 definition of renewable electricity, which includes purchased RE100 compliant EACs. Under the RE100 framework, the grid electricity consumed at our Uruguay facility qualifies as default delivered renewable. Excluded in our definition is the biomass district heating system at our Oslo facility (Norway) as well as grid electricity consumed in Quebec (province of Canada) where our headquarters are located. RE100 recognizes grid electricity at the country level only and therefore does not recognize a province's grid. Close to 100% of the electricity distributed by Quebec's public utility company is reported to be generated from renewable resources.

Our performance

Real estate portfolio modernization and optimization

As a result of the energy audits conducted in prior years, CAE amassed a sizable projects backlog.

We entered the first phase of our most sizable project, the complete modernization of the heating, ventilation and air conditioning system at the CAE Dallas West Training Centre. The replacement of the cooling towers and the addition of an eco-performing chiller, scheduled for completion in July 2025, should lead to significant energy savings and a substantial reduction of approximately 1,100 tCO₂e.

We began development of a five-year Asset Maintenance Plan to address the need to replace the mechanical systems in several of our older buildings. The project plan prioritizes the prevention of operational disruptions and maximizing potential energy efficiency gains.

Aligned with our RE100 commitment, one solar project was successfully integrated into the new CAE Sydney Flight Training Centre, with an estimated production capacity of 100 kilowatt hours (kWh) and one solar project is currently under construction in CAE London Burgess Hill Training Centre (UK), projected to supply 800,000 kWh per year, which would represent around 15% offset from current electric grid consumption.

Several additional sites will be studied in FY26 to analyze their potential for solar panel integration.

New training centres recognized for sustainable design

Fully operational since March 2025, the CAE Vienna Training Centre achieved [DGNB](#) Gold certification; its sustainable design features rooftop solar panels. Our CAE Sydney Flight Training Centre officially received a Green Star Building certification rating of 5 stars from the [Green Building Council of Australia](#).

Virtualization and prototyping progress

We continue to virtualize our on-site laboratories and to prototype the simulator computer complexes at certain training centres. This involves the migration of computer cabinets to on-premise data servers, resulting in less physical parts assembly, a smaller physical footprint and reduced power consumption. With adjustments made on the prototype in operation at the CAE Montreal Training Centre since July 2024, we are nearing the phase of solution finalization prior to production.



Responsible resource use

Why it matters

At CAE, we apply sustainable practices to use resources responsibly across our operations, from product design and development to manufacturing and logistics. By carrying out initiatives to manage water usage and waste generation, alongside upcycling practices for our products, we help to reduce our global resource consumption.

Governance

In addition to the oversight accountabilities of CAE’s Board of Directors and the supervisory role of the CPSO, governance responsibilities pertaining to water and waste management extend to a dedicated leadership team under Corporate Environment, Climate Change and Health & Safety.

Management approach

Our efforts toward responsible resource use focus on energy efficiency, sustainable consumption and production, and waste management.

Key to our sustainability approach, we seek to reduce waste at every stage of product and service development, production and delivery. This includes exploring how to foster circular economy practices in CAE’s operations. By transforming and enhancing our processes, we believe we can reduce resource use, energy consumption and waste.

EH&S Management System

CAE’s Environment, Health and Safety (EH&S) Management System outlines the processes and practices to improve environmental performance and minimize negative environmental impact. Programs and procedures are implemented across the facilities operated by CAE globally, in alignment with our Corporate EH&S Policy. We identify and implement pollution prevention practices to protect the environment and minimize the impact of our operations by limiting the use of natural resources and reducing 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 products throughout our operations, whenever possible.

Waste management risks are primarily generated by production activities at our three manufacturing and assembly sites in Montreal, Tampa and Arlington.

Given the nature of CAE’s activities, specific hazardous waste management measures were implemented regarding the use of paints and solvents. During the manufacturing process, we apply isocyanate-free paints to our simulators, which offer similar technical performance without the health and safety concerns associated with isocyanates. In the coming years, we plan to transition to water-based paints as a next step to reduce hazardous waste, increase health and safety, and elevate our positive environmental impact.

Eco-design requirements and upcycling

By adopting a perspective that integrates sustainability criteria into all phases of the product lifecycle, CAE contributes to minimizing the environmental impact of our operations – from design to transport, operation and end of life. To increase the sustainability of our product portfolio, we look at opportunities to enhance the lifespan of simulators and incorporate eco-design specifications into our product manufacturing and sourcing processes. ▶

CAE's eco-design practices contribute to our sustainability strategy by eliminating the use of product components and production processes that impact the environment and greenhouse gas emissions. Eco-design factors include product environmental compliance, quality and reliability of resources, as well as product recyclability and maintainability. Our environmental design and performance considerations extend to materials used.

We actively pursue ways to enhance the lifespan of decommissioned simulators and aircraft parts, collaborating with procurement experts and suppliers on how to reuse simulator parts and realize environmental benefits. ■

Our performance

CAE's FY25 waste management performance and water consumption are further detailed in our [GRI indicators](#) and [SASB Index](#).

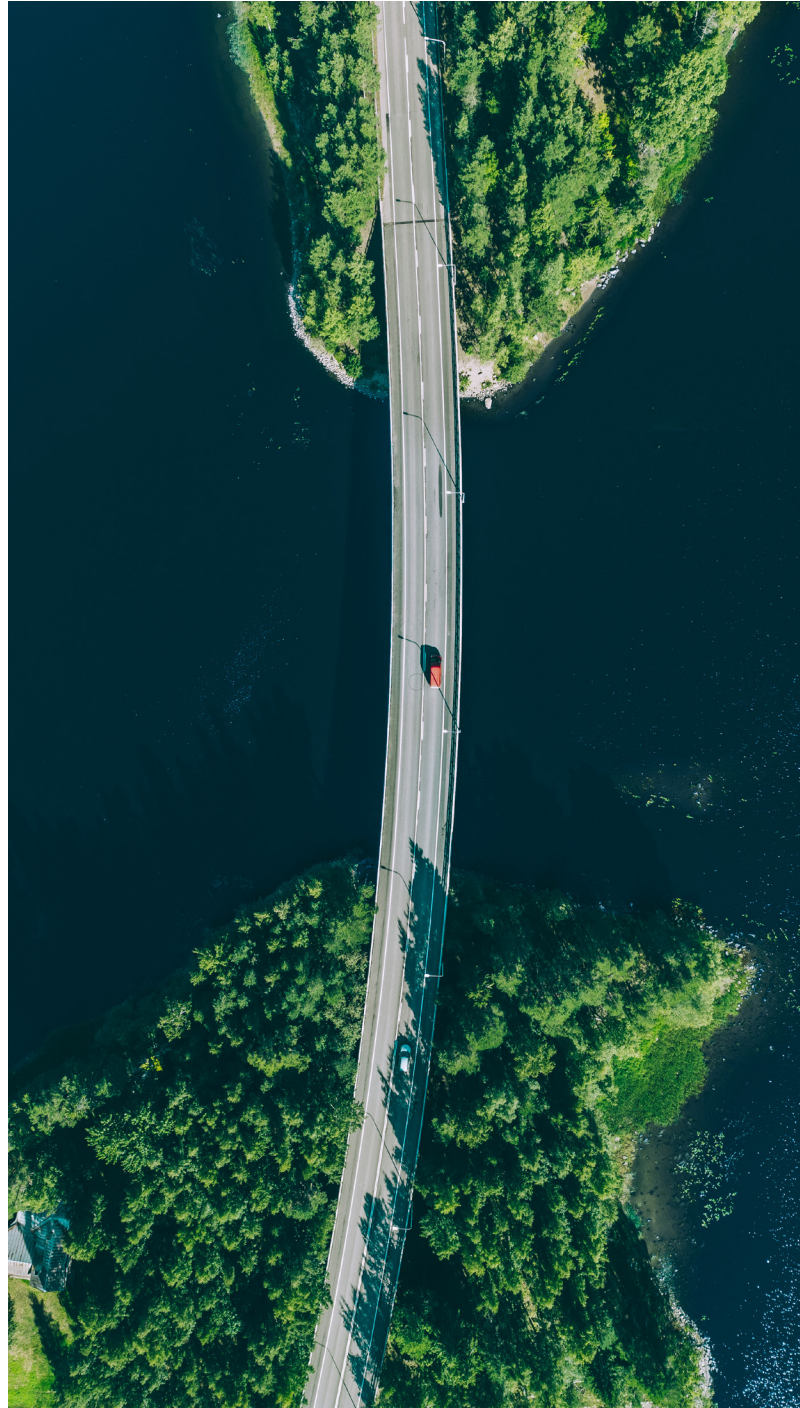
Site initiatives

Initiatives undertaken by our sites continue to generate environmental benefits. These include introducing processes that generate less packaging waste, using reusable metal racks instead of wooden crates and recycling wood residues. The use of compost and sorting stations at some CAE sites optimizes space and resource use, while also encouraging healthy life and work habits.

Projects and partnerships

In collaboration with Polykar, an innovative world-class manufacturer of sustainable flexible packaging solutions, we launched a pilot project which focuses on the recycling of flexible plastic within a dedicated section of our manufacturing plant. Our joint initiative aims to improve CAE's recycling practices by proceeding to an initial characterization.

We continue our partnerships with RECYKINFO and AIM, firms certified to recycle metals, printed circuit boards, cables and plastic. We established a new partnership with OPEQ (Ordinateurs pour les écoles du Québec), a non-profit organization that enables low-income individuals and families to benefit from a desktop computer, refurbished laptop, tablet or smartphone at an affordable price. Through an initial donation of 100 laptops, we allow the re-use of our equipment, while supporting the mission of the organization. ▶



Significant cockpit refurbishment projects

From FY20–FY25, we completed more than 160 significant cockpit refurbishment projects, 30 of which were completed this fiscal year. In our refurbishment projects, we use parts from decommissioned simulators and/or aircraft cockpits, along with used parts and components sourced individually or as kits. Refurbishments offer a sourcing solution to discontinued items and hard-to-source items by reusing existing equipment.

Additionally, Aftermarket and Refurbishment programs 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.

Eco-design training for engineers

In honour of Canada’s National Engineering Month, we conducted an eco-design training session for our Engineering team to enhance their skills in sustainable design practices. The annual event celebrates the heart and soul of engineers – their passion, commitment and action toward making the world a better place. This training was offered to over 150 participants from CAE’s Global Engineering Group, which includes engineers from various global locations.

The training is part of the CAE Resilient Together program, under the responsibility of our Global Procurement and Supply Management (GPSM) team, which includes structured sustainability ambassador training and support for the operational integration of sustainability practices. In addition to the eco-design training, the GPSM team held an eco-design workshop with our strategic suppliers in January 2025 as part of the Décarbône+ initiative. The workshop reinforced our commitment to cascading sustainability and innovation practices both internally and across our value chain.

Learn more about Décarbône+ in both the [Climate change mitigation](#) and the [Responsible supply chain management](#) sections. ■



Social



3
Good health
and well-being



4
Quality
education



5
Gender
equality



8
Decent work and
economic growth



13
Climate
action

Talent management

Why it matters

At CAE, our people are the key to our success. Every day, they make amazing things happen. Their work enables our customers to perform at their best and move society forward. Engaged and empowered employees drive innovation. They deliver transformative training and support solutions that enhance safety and delight our customers.

We are dedicated to creating an open, diverse and inclusive workplace where everyone can thrive and be their authentic selves. Inclusivity and equal opportunities are embedded in our values and integrated into our corporate governance, business policies, systems and processes. This commitment ensures that every individual's unique contributions are recognized and valued, driving CAE's success.

Governance

CAE's Board of Directors' Human Resources Committee (HRC) reviews compensation matters and financial rewards, including salary plans, incentive compensation programs, pensions and other benefit programs.

The HRC approves recommendations regarding the design, approval and governance of incentive programs and executive compensation to mitigate potential enterprise and human resources risks.

The HRC is mandated with reviewing the Succession Plan and Leadership Development process for executive roles, including those of the President and Chief Executive Officer (CEO), as well as assessing the talent pool and development plans for key executives. Furthermore, the committee evaluates activities to develop top talent across the organization and ensures alignment with the company's initiatives for an inclusive workplace and equal opportunities within talent discussions. ►

HRC risk management oversight extends to policies related to talent retention, corporate culture, compensation, training, employee health and safety, aviation safety, and inclusion and equal opportunities. The Chief People and Sustainability Officer (CPSO) provides periodic updates to the CEO, Executive Management Committee (EMC) and HRC on key human resources parameters, including culture, engagement, talent attraction and retention. Regarding health and safety issues, which encompass aviation safety, the CPSO delivers updates to the HRC quarterly. These parameters are reviewed monthly with business units (BUs) during business management reviews.

Additionally, the CPSO conducts weekly meetings with the Human Resources (HR) leadership team, which includes vice presidents and leaders supporting various BUs and functions. These meetings are a pivotal platform for strategic discussions, decision-making and alignment of organizational priorities and people-related initiatives. Bi-annual CEO Sessions and senior leadership calls keep employees updated on the latest developments at CAE.

CAE's Inclusion and Equal Opportunities Council (IEC), composed of EMC members that include our CEO, provides oversight and governance of initiatives aimed at fostering an inclusive workplace and ensuring equal opportunities across the organization.

A cross-functional committee oversees CAE's inclusive workplace initiatives, ensuring inclusivity and belonging considerations are embedded in major operational streams. This committee reports on its progress twice a year to the IEC to ensure continuous improvement and alignment with organizational goals. ■

Management approach

The Global HR team works in strategic partnership with all areas of our organization, playing a central role in creating an open, equitable environment for CAE's global workforce to realize their full potential.

Regional HR leads facilitate the introduction and ongoing success of the various programs and activities that support CAE's culture, mission and vision. They also ensure smooth transitions during acquisitions and other significant activities. ▶



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 at CAE. Our people-first mindset focuses on five major priorities: employee experience; total rewards and recognition; long-service employees; employee development; and talent attraction and retention.

The CAE FlexTime program consists of four policies aimed at providing flexibility for our employees: Flexible vacation, sabbatical leave, and parental and maternity paid leave. Employee feedback and needs drive this program.

Inclusive workplace and equal opportunities

Our Inclusive Workplace and Equal Opportunities Policy provides the underlying framework that applies to CAE employees, customers, vendors, suppliers and subcontractors, and any additional individual or entity with a business relationship with us.

The Policy outlines roles and responsibilities, with CAE's Code of Business Conduct as a required source of reference. CAE mandates compliance as essential for the sustainment of an inclusive workplace.

Policies

- > Anti-Discrimination, Harassment and Retaliation Policy *(internal)*¹
- > **Code of Business Conduct**
- > Flextime Policy *(internal)*²
- > Global Remote Work Policy *(internal)*³
- > 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)*
- > Policy Against Psychological Harassment and Violence in the Workplace *(internal)*
- > Tuition Assistance Policy *(internal)*¹

1 Civil Aviation BU only
 2 Applicable in Canada
 3 Part of CAEcontinuum program



Talent attraction

Our Talent Acquisition (TA) team partners with business leaders across the organization to develop and deploy strategies to find, attract and hire the best and brightest talent in the market.

Global Talent Acquisition Model

Our agile and scalable TA Model, which is deployed globally, aligns with CAE's growth objectives.

The TA Centre of Excellence standardizes recruitment governance across our BUs and locations, overseeing recruitment marketing, employer branding, analytics, technology, processes, programs and recruiter training.

The CAE Careers website offers tailored opportunities for professionals, veterans and students, using automation and artificial intelligence (AI) to expedite the candidate experience.

Committed to fair hiring practices

To ensure a positive hiring experience for all CAE candidates, we implement measures that support fair hiring practices at every stage of the TA process.

Our TA Model incorporates inclusive hiring practices such as automated ranking to reduce bias and leverages partnerships to identify qualified candidates from all diverse backgrounds, based on skills and potential contributions. Streamlined recruitment processes enhance the candidate experience, while also saving time and reducing costs.

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

Internship and WIL initiatives

At CAE, we are committed to nurturing talent by consistently creating co-op and internship opportunities, as well as integrating work-integrated learning (WIL) activities. Our research and development projects seamlessly align with students' curricula, providing practical experience.

Aligned with our global TA Model, CAE's universal approach to internships ensures a consistent and equitable experience in recruitment, onboarding, mentorship and evaluation. Our goal is to offer fair opportunities for skill development, supporting our dedication to cultivating a diverse and skilled workforce.

Our CAExplore internship program offers students numerous opportunities to connect with peers and senior leadership through networking events, conferences and speaker series held each term. We collaborate closely with various universities, colleges and other educational institutions, and we participate in numerous campus events each year.



CAE internships offer students the opportunity to work on real projects and have an immediate impact on our mission to make the world a safer place. Our personalized mentoring programs ensure that students have a supportive network every step of the way, guiding them to exciting career opportunities. Flexible working conditions that adapt to individual needs empower our student interns to thrive personally and professionally.

For additional details on CAE's contributions to education development within the communities where we operate, please refer to the [Education and community engagement](#) section.

Our performance

Attracting talent: insights into performance metrics

Within this report, readers can access our GRI indicators for detailed information on TA performance. Metrics provide valuable insights into our talent acquisition efforts, such as the proportion of senior management recruited locally and the categorization of new employee hires by age group, gender and region.

New employee hires

In FY25, we onboarded 1,456 new employees, achieving a new employee hire rate of 11.85%. Our new hires reflect CAE's commitment to an inclusive workplace, with 22.9% of new hires being women. ■



Talent development

When our people grow, we grow. Our employees' ongoing development and well-being contribute to a constructive, stimulating work environment for everyone.

To suit various learning preferences, our development resources offer learner-led and instructor-led courses.

Workday Learning, CAE's gateway platform, provides access to 17,000 resources and allows employees to manage their learning goals. Our AI-powered Career Hub recommends courses and certifications based on employee profiles. Additionally, employees can participate in our Gigs program, taking short-term assignments with other teams to further develop their individual skills and interests. Additional resources include webinars, panels and a LinkedIn Learning knowledge repository.

Several of our learning opportunities cover topical subjects such as unconscious bias, microaggressions, and anti-harassment. We embed inclusiveness in our training, regularly introducing materials on important emerging matters, such as our guide Neurodiversity in the Workplace.

The performance development experience at CAE

CAE+me, the cornerstone of our performance development approach, emphasizes one-on-one conversations for continuous improvement.

The biannual performance development experience includes mid-year and year-end discussions, fostering meaningful conversations about performance, goals and personal development, promoting a dynamic work environment. CAEmentor me connects mentees with mentors for guided development and knowledge sharing, while tailored coaching tools support leaders in their roles.

Leadership development

Leaders play an important role in supporting CAE's tech mission and vision. We invest in and support their growth, development and learning through a comprehensive offering. The impact of CAE's leadership development programs extends to every individual across our organization. By fostering a culture of continuous learning and growth, these programs provide valuable insights and skills that benefit employees at all levels, from emerging leaders to seasoned contributors.

Tailored talent development initiatives for women¹

The Ambition Challenge and our DARE program highlight CAE's dedication to creating an inclusive and empowering workplace for women as part of our broader sustainability objectives.

The Ambition Challenge champions development at all levels, emphasizing ongoing personal and professional growth. This 100-day program occurs twice annually.

Our 12-month DARE program provides women with essential career development tools, reinforcing CAE's commitment to support and advance women in their professional journeys. ▶

¹ These programs are not available to employees based in the United States.



Our performance

Technical Career Track program

Under CAE’s Technical Career Track (TechTrack) program, employees can develop their technical expertise and advance their careers.

For employees on technical career tracks, the focus is on their specialized skills, technical contributions, and innovation. Using technical evaluation criteria aligned with their role ensures we accurately assess their performance and development needs.

Each year, we recognize individuals from among the program’s many participants for their demonstrated excellence. In FY25, approximately 60 employees from various CAE locations worldwide became our newest “Technical Stars.”

Fourth cohort takes the LEAP

CAE’s LEAP program develops future Civil Aviation training centre leaders through professional development and mentorship opportunities. In FY25, the program, which takes four to five years to complete, onboarded a cohort of 11 individuals from different regions of the world. ■

Program participation

- > 204 employees participated in Gigs since its 2023 launch.
- > On average, employees received 5.38 hours of training in FY25, which included 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.
- > 765 mentor-mentee pairs completed the CAEmentor me program since its September 2019 launch.

Talent engagement

Taking the pulse

Monthly employee engagement surveys provide timely feedback, using consistent metrics to measure employee engagement in real time. These surveys also gauge key culture transformation initiatives, offering insights into employees’ sense of belonging and their perceptions of CAE’s culture of innovation. Survey results are highlighted in bi-annual CEO Sessions and town hall presentations, where employees can share input during Q&A sessions.

Employee recognition

At CAE, employee recognition is a cornerstone of our organizational culture and success.

We believe that acknowledging the accomplishments of our employees is essential for fostering a motivated and engaged workforce. Our global recognition program CAEchampions and special occasions like Recognition Day enhance employee morale and engagement by celebrating career milestones and daily contributions.

Wellness resources

CAEwellness provides resources to help employees achieve work/life integration and remain mentally and physically healthy. Frequent internal surveys, including a wellness score on stress and personal health, help us monitor employee wellness. ▶



Wellness initiatives

Our wellness program aims to improve employee well-being through initiatives focused on mental, social and physical health. Our program builds on the foundation of prior endeavours to reinforce a healthy and supportive work environment.

Key highlights include:

- **Mental health** – continued emphasis on available programs and conferences for all employees on our intranet, including conferences, podcasts and panel discussions to further promote safe behaviours and engagement.
- **Social health** – efforts to create a strong and socially healthy culture through recognition programs, empathy and psychological safety initiatives, and social gatherings.
- **Physical health** – promotion of physical activity through participation in the various sports leagues at CAE, as well as ergonomic and sleep best practices conferences available on our intranet.

Labour rights

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

Labour relations laws vary by country, and we maintain constructive relationships with our unions and Work Councils globally. CAE HR Business Partners, with support from our CPSO, manage collective bargaining agreements in their respective regions.

Employee Resource Groups

Our Employee Resource Groups (ERGs) make a significant contribution in promoting inclusivity globally at CAE. Employee-initiated and governed, each ERG is managed by a committee of employees that dedicate time beyond their regular mandates.

They individually host or co-sponsor activities that align with their member-approved charter and mission statement and, as such, contribute to elevating awareness and building bridges within the organization for greater and more inclusive collaboration. Dedicated ERGs (as illustrated by the seven banners) are based on common interests and are open to all employees. ▶

Employee Resource Groups



EmbRACE Race and ethnicity



FIRE First Peoples Inclusion & Reconciliation



Insignia Veterans



LIFT Women in aviation and technology



Mozaic Parents of children with special needs and employees with special needs



Prism LGBTQ2+



PWN Professional women's network

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.

Executive compensation programs are based on a pay-for-performance philosophy. Executives receive salaries; annual short-term incentive awards contingent upon attaining consolidated business results and individual achievements; and long-term incentive awards. These compensation programs create increasing and sustainable value for shareholders.

Further detailed in our [FY25 Management Proxy Circular](#).

Employee-oriented policies and benefits

CAE offers a range of benefits and resources to support our employees. These are further detailed in our Compensation and Benefits Policy. Benefits programs vary by country, in alignment with local market practices.

Benefits include:

- **Flexible vacation** – provides employees with the opportunity to tailor their paid vacation time to their needs at work and at home.
- **Sabbatical leave** – provides employees with the flexibility to temporarily step away from the workplace for up to 26 weeks.
- **Parental leave** – provides caregivers with the opportunity to take up to eight weeks of fully paid parental leave.
- **Maternity paid leave** – eligible employees are provided financial support to help prioritize their caregiving duties, with paid leave duration based on local legislation. CAE fully covers the employee’s maternity paid leave, less any government benefits (*where applicable*).
- Flexible group insurance, pension and employee stock purchase plan.
- Fertility treatments in Canada and the U.S.
- Access to Indigenous health benefits in Canada.
- Coverage for gender affirmation procedures in Canada.
- Employee and family assistance program and telemedicine service.
- Physical and mental wellness programs.

¹ Scores based on 10 metrics: relationship with manager, ambassadorship, personal growth, recognition, satisfaction, relationships with peers, alignment, happiness, feedback and wellness as measured through Officevibe.

Embedding sustainability criteria into executive compensation

Our CEO and EMC members have individual sustainability objectives. This practice aligns the interests of CAE executives with the long-term sustainability and success of our organization.

Further detailed in our [FY25 Management Proxy Circular](#).

Pension plan

The independent external firm overseeing the investment returns of CAE’s pension plan conducts periodic analyses, incorporating various factors, among them sustainable investment considerations.

Employee Stock Purchase Plan

For eligible employees to participate in our Employee Stock Purchase Plan (ESPP), CAE offers contribution matching options for different investment strategies.

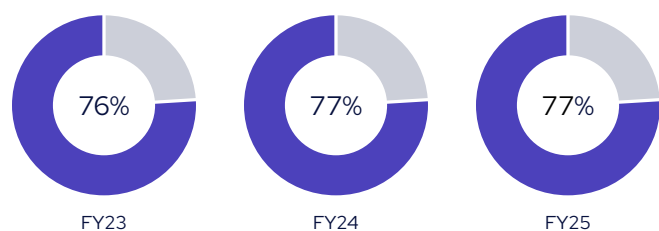
Under our TA roadmap, we set an objective to extend the ESPP beyond Canada to other countries in 2023. At the beginning of FY23, our ESPP covered seven countries, representing 80% of our workforce. Today, this program is available to more than 95% of our employees globally.

Our performance

CAE employee engagement holds steady in FY25

In FY25, we achieved a strong employee engagement score of 77%, reflecting CAE’s positive workplace culture and maintaining the same high level of engagement as in FY24. Scoring involves an assessment of 10 key engagement metrics: relationship with manager, ambassadorship, personal growth, recognition, satisfaction, relationships with peers, alignment, happiness, feedback and wellness. ▶

Employee engagement score¹



Awards and recognition

2024

- TIME World's Best Companies
- Forbes World's Top Companies for Women
- Canada's Top 100 Employers
- Canada's Top Employers for Young People
- HIRE Vets Platinum Medallion
- Canada's Best Diversity Employers
- Canada's Top 100 Defence Companies

2025

- Financial Times Diversity Leaders
- Forbes Canada's Best Employers
- Canada's Top 100 Employers
- Canada's Top Employers for Young People

Consult our website for a list of [CAE awards](#).

Talent management roadmap

Associated SDGs



Key result	Target year	Status
Talent attraction		
> Achieve 5% increase of internships and WIL opportunities in Canada	FY25	Postponed (FY27)
> Achieve 10% increase of 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 for FY26	FY26	Postponed (FY28)
> Conduct a comprehensive review of gender pay gap calculation methodology	FY26	On track

Occupational health and safety

Why it matters

CAE’s mission is to make the world safer. Our role as a world-class leader in safety starts with providing a safe and healthy work environment for our employees, contractors and customers. We uphold a strong safety culture backed by policies, programs, processes and practices designed to protect, empower and reduce work-related risks. Compliance is not just a legal obligation, but a moral responsibility to protect our stakeholders and CAE’s reputation.

Governance

Through our Environment, Health and Safety (EH&S) programs, CAE proactively addresses and mitigates potential risks, assigning accountability where it belongs. We also use diverse tools to monitor key performance indicators.

Our Board of Directors, Executive Management Committee (EMC) as well as all CAE leaders oversee key aspects of safety performance, risk management and regulatory compliance in their governance roles.

EH&S at the Board level

The Board’s Human Resources Committee reviews and has oversight responsibility over occupational health and safety matters and receives quarterly reports from the Chief People and Sustainability Officer (CPSO) on our annual EH&S priorities and initiatives. The Committee also reviews the latest safety performance results.

Executive Management Committee and Business Units

The Safety Executive Committee monitors safety performance across our business units (BUs), with the participation of the Chief Operating Officer (COO), the Division Presidents and the CPSO, taking decisive actions for continuous improvement.

During this governance, health and safety (H&S) performance and implementation of recommendations based on audits performed against H&S policies and programs are reviewed. These measures ensure that our sites and related activities comply with CAE’s

internal requirements and applicable local regulations. The CEO receives updates on each BU’s performance against H&S targets through quarterly business performance reviews.

At quarterly operational reviews, the Division Presidents brief the CEO on H&S issues. These regular updates help evaluate the overall performance of each BU.

During monthly reviews with their management teams, the Division Presidents cover EH&S matters, with information then cascaded through their BUs. ▶



Three-pillar EH&S strategy

Management approach

Our occupational health and safety (OHS) corporate strategy is based on three pillars, with our EH&S Management System as a foundation, ensuring a balanced approach between risk management programs, impactful leadership practices and bidirectional communications. Every year, priorities are identified under each pillar to ensure ongoing progress and improvement.

Fundamental to our EH&S foundation

Corporate EH&S Policy

With OHS an integral part of CAE's corporate responsibility, and in line with CAE's vision and mission, we aim for continuous program and performance enhancement that extend beyond compliance.

CAE's EH&S Policy aligns with OHS international standards and regulations. This Policy reflects our pledge to foster a safety culture and a health-conscious environment for all our stakeholders.

EH&S Management System

CAE's integrated EH&S Management System outlines processes to enhance our EH&S performance. Based on ISO 14001 and ISO 45001 principles, this system applies to all CAE sites across our network. CAE sites electing to pursue ISO certification are listed in the report section [Site certifications](#).

Our corporate EH&S group collaborates with CAE leadership to develop and implement programs and procedures to support a strong EH&S culture and achieve our injury reduction targets. This group oversees a top-tier program, providing guidelines for all CAE sites to ensure standardized and efficient risk management practices. Relevant safety training is provided to all employees to maintain appropriate levels of knowledge and awareness.

Employee wellness

The intersection of safety and wellness plays a pivotal role in fostering employee well-being. Learn how our [CAEwellness program](#) also contributes to a healthier, safer work environment.

Leadership and culture

We believe everyone at CAE has a role to play in workplace safety.

The corporate EH&S group spearheads strategic initiatives with the support of 200+ regional EH&S representatives. This vast network ensures collaboration and furthers CAE's enterprise-wide commitment to excellence in OHS and environmental practices. We engage our employees in OHS through multiple channels.

Quarterly surveys issued to all employees as of FY25 provide valuable insights into current practices and inform future strategies. CEO Sessions and executive townhalls enhance the importance of a safety culture, together with safety concerns reporting, safety indicators and ongoing initiatives.

Our event notification process actively involves employees in reporting EH&S events. This proactive approach to injury prevention strengthens our EH&S culture worldwide.

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

Empowering employees through learning and communication

Through trainings, notification processes and the CAE360 intranet, we educate and communicate the value of a safety culture that involves everyone.

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.

Our commitment to provide comprehensive EH&S training goes beyond onboarding and includes targeted training for employees based on their risk exposure. Our mandatory event reporting training promotes a collective responsibility for safety and a culture of incident reporting without fear of reprisals. ▶

Risk management

EH&S events management program

CAE prioritizes employee safety through a robust EH&S events management program. The program addresses incidents based on their actual and potential severity, ensuring a proactive and systematic approach to H&S.

Comprehensive investigation process

For all recordable incidents, we conduct thorough investigations, identify root causes and implement corrective actions. Events with high potential consequences trigger a significant event process, involving prompt communication to the EMC, preliminary alerts to all sites and an on-site, in-depth root cause analysis led by the corporate EH&S group.

Transparent communication and action plans

Following significant event investigation and corrective actions approval by senior management, our Learning from Events (LFE) methodology requires applicable measures be taken at all sites. Within 30–45 days, sites must confirm deployment of the appropriate corrective action(s), with a sign-off from the site leader. At 120 days following the implementation due date, these leaders perform LFE validation to demonstrate their site’s risk management efficiency and confirm the corrective measures remain in place.

Self-audits and compliance audits

Site leaders are responsible for ensuring compliance with CAE EH&S programs and procedures. Site compliance with EH&S programs is measured through a self-audit process that requires the site leader’s sign-off.

As per our CAE EH&S compliance program, annual compliance audits are performed on a sample of sites selected according to their level of risks. These audits, conducted by the corporate EH&S group, review all management system programs and procedures to assess compliance. Audit reports are escalated to the EMC and an executive summary is shared with the Board. Our audit program also uses other means to review compliance, including documentation audits on key selected process from our EH&S Management System.

Site security and emergency preparedness

Site leaders must adhere to standards set by CAE’s Global Security Group to safeguard our employees, visitors, assets and facilities. Each facility is required to have a site-specific emergency response plan, with all occupants informed of their roles to ensure safe and rapid response execution during any significant crisis event or emergency. Emergency response plans follow the protocols of CAE’s Business Continuity Management Framework, ensuring a high level of resilience in our global operations. ■



Policies

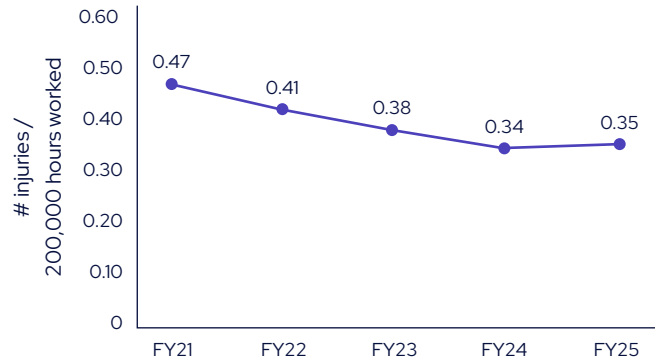
› [Corporate EH&S Policy](#)

Our performance

Lagging indicators: Injury trends and significant events

In FY25, we achieved a 0.35 Injury Frequency Rate. Common work-related injuries (e.g. slips, trips and falls, along with ergonomics) persist, but mirror previous years.

The number of significant incidents, with six events in FY25, underscores the importance of prioritizing our safety culture and serves as a clear reminder of the imperative need for sustained attention to safety measures. However, among the significant incidents that occurred in FY25, two of them resulted in a fatality. The CAE team is deeply saddened by the passing of our colleagues, and we remain committed to learning from these events to prevent future occurrences.



	FY21	FY22	FY23	FY24	FY25
Significant events	4	10	5	9	6

In August, one of our instructor pilots died in an accident that occurred during a training session. In February, an instructor passed away following hospitalization for serious injuries sustained by a fall on the stairs at work. Following both events, we immediately initiated investigations, took further corrective and preventative actions that were applied to all CAE sites and engaged the support resources of our Employee Assistance Program. Refer to the [Aviation safety](#) section and see [GRI indicators 403-9](#).

This year, we completed the third-party assessment of our operational practices involving electricity, initiated in FY24 following a series of significant events. The assessment involved a thorough gap analysis that compared our current practices with leading best practices. As a main result, CAE identified and implemented improvements that ensure a safe work environment and strengthen the safety of our operational processes, such as safe work methods, equipment design and training.

Integration into strategic objectives and the Talent Compass

We achieved a significant milestone with the integration of dedicated H&S Objectives and Key Results (OKRs) into performance measures for senior leaders that aligned with our FY25 priorities. We also introduced OHS questions into Talent Compass, CAE’s annual employee review process.

To further enhance our culture, we instituted “the safety share” as a promoted practice for leaders to begin their staff meetings. Specifically, either the leader or a team member opens the session by sharing a personal or professional experience that illustrates the importance of safety. The intent is to constantly raise awareness and keep safety at the forefront of everything we do. ▶

Leading indicator: Observation rate

We continue to improve our reporting culture, as demonstrated through the steady increase of CAE’s safety observation rate. Encouraging all employees to actively report workplace risks or hazards enables us to address hazardous situations promptly, allowing for proactive measures to mitigate or eliminate these risks before accidents occur. We further detail CAE’s FY25 OHS performance in our [GRI indicators](#) and [SASB Index](#).

	FY21	FY22	FY23	FY24	FY25
Observation rate (x200,000 hours worked)	2.28	4.67	7.26	7.99	9.88

World Day for Safety and Health at Work

We celebrated our first World Day for Safety and Health at Work with a thought leadership panel hosted by our CPSO that was streamed live to all CAE locations. Throughout the conversation, CAE senior leaders highlighted best practices and initiatives that contribute to a safe workplace for our employees and contractors.

Employee recognition program

We launched an H&S recognition program to promote employees, teams or sites that go “above and beyond” in their effort and initiative to maintain a safe workplace. Ten employees received a certificate of recognition in the program’s inaugural year.

Risk management initiatives

For our first-ever comprehensive EH&S compliance audit program, we selected one site per BU per region, for a total of 10 audits. Audits are led by a member of the corporate EH&S, with reports provided to the EMC and Board. The findings primarily identified minor gaps related to contractor management, electrical safety and lock-out, tag-out. All sites quickly engaged in addressing these findings and most have completed their action plans.

We made improvements on three existing programs that cover key risk areas: the lone worker program, the working at height and fall protection program, and the H&S management for field operations program. ■

Occupational health and safety roadmap

Associated SDGs



Key result	Target year	Status
<ul style="list-style-type: none"> > Safety recognition program deployed > Development and implementation of a structured, detailed and comprehensive internal EH&S audit program 	FY25	■ Achieved
<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 ISO 14001 standards 	FY28	■ On track

Aviation safety

Why it matters

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

This commitment starts internally, by ensuring the safety of CAE employees and customers engaged in flight simulator, maintenance, cabin crew and ab initio (on-aircraft) training across the diverse fleet we operate at Civil Aviation and Defense & Security (D&S) training centres worldwide.

Externally, we collaborate closely with aviation regulators. Our Civil leadership plays a pivotal role in elevating safety standards, ensuring training quality and overseeing training certifications. We also consult with representatives of the governments, public safety entities and global defence organizations that rely on our comprehensive Civil and D&S portfolios to support them in their missions.

Governance

Our Civil Aviation and D&S business units (BUs) oversee individually tailored safety programs that share the same imperative: to ensure CAE operates to the highest safety standards.

Our dynamic safety management feedback loop promotes cross-organizational communication and visibility at all levels.

The Board's Human Resources Committee reviews CAE's Aviation Safety Program on a quarterly basis, including statistics, risks, incidents and major areas of corrective actions. The Committee also conducts an annual deep dive on aviation safety in both Civil and D&S. These findings are then reported to the Board.

Aviation safety is also reviewed quarterly by the Safety Executive Committee (SEC), which is chaired by the Chief People and Sustainability Officer (CPSO). The SEC assesses organizational performance against various sets of governance and oversight metrics. Committee membership includes the Division Presidents, the Chief Operating Officer, the Civil Aviation Senior Director of Global Aviation Safety and Governance (GASG), the D&S Director of Flight Safety and Standardization (FSS) and other relevant senior leaders.

As part of CAE's annual strategic planning process, the Executive Management Committee (EMC) and SEC establish a set of objectives and key results (OKRs), measured against defined Safety Performance Indicators (SPIs). Performance measures are designed to be challenging and enhance the effectiveness of the organization's risk management system.

Civil Aviation and D&S executive management communicate these OKRs to regional leaders and their teams for implementation. The Senior Director GASG and Director FSS define the learning strategy and oversee all training services for their BUs. They ensure the acquisition of core competencies for safe and effective operations, promote continuous development for enhanced safety and provide a competency-based learning system that aligns with CAE's strategic objectives.



Management approach

Just Culture

CAE believes a “Just Culture” promotes open, honest reporting and we recognize employees who contribute to aviation safety. 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.

See [Aviation safety recognition](#).

Safety Quality Assurance and Compliance Monitoring Policy

Our Aviation Safety, Quality Assurance and Compliance Monitoring Policy sets the overall aviation safety objectives and goals 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.

Aviation Safety Management System

CAE’s SMS draws upon internal expertise and follows standards and practices recommended by the International Civil Aviation Organization 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.

Aviation Safety managers routinely receive a broad spectrum of safety reports, which they use to identify trends and guide safety management activities. Following the investigation of a safety occurrence, a report is issued to these managers with recommendations for implementation to prevent reoccurrence.

In the event of a serious incident or accident, CAE’s in-house emergency response plan activates procedures for contacting the CEO; Civil Aviation and D&S Division Presidents; Chair of the Safety Executive Committee; General Counsel; Civil and D&S Vice Presidents; and representatives from Public Affairs and Global Communications.

In parallel, the Senior Director GASG and Director FSS assume oversight of any investigation involving their respective BUs, assisting aviation safety authorities where appropriate.



Policies

- › Civil Global Safety Management System (*internal*)
- › D&S Global Safety Management System (*internal*)

- › Aviation Safety, Quality Assurance and Compliance Monitoring Policy (*internal*)

Our performance

Target Level of System Compliance implemented at Civil training centres

We developed and introduced the concept Target Level of System Compliance (TLoSC) to mirror and share the benefits experienced using our Acceptable Level of Safety Performance (ALoSP).

ALoSP is our performance-based approach for monitoring aviation safety performance levels within a prescribed corporate safety framework. Similarly, CAE defines our TLoSC by quality assurance and control management key performance indicators (KPIs) and associated target and alert levels.

The TLoSC helps us identify the most important compliance monitoring activities and the OKRs and KPIs that define the level of compliance monitoring. It also identifies targets that define the level to be maintained and the desired improvement to be achieved in each facet of the organization, with a view to achieving continuous improvement throughout the Civil Aviation training network.

Measured against 11 KPIs (including but not limited to audit completion rates, reducing unscheduled audits, lowering the rate of internal and external findings raised through audits, and decreasing the time to close findings), the TLoSC achieved by Civil in FY25 was 41%, 19% short of our plan to reach 60%. As we introduce a new performance measure, it is common to observe some improvement gaps in achieving our target, given that change management takes time. Despite missing the target for the year, significant improvement has been made in 6 of the 11 KPIs, showing a positive focus on continuous improvement for the organization as a whole.

Acceptable Level of Safety Performance

ALoSP indicators help us monitor and measure implementation of the Safety Management System (SMS) across the Civil Aviation training network. Standard deviation triggers act as early warnings that enable CAE to make well-informed decisions that improve safety performance.

The ALoSP for live flight training centres, recorded at 44%, was calculated using a combination of 17 higher-consequence and lower-consequence SPIs. This was behind plan for the year due to a combination of significant risk events and continued business and organizational changes in our European operations. For our simulator training centre network, the ALoSP stood at 71%, which was calculated using six SPIs, which was marginally behind the target of 76% for the year.

Aviation safety reports

Safety reports are voluntarily submitted by staff or crew members about potential safety concerns or incidents they have observed or experienced.

In FY25, Civil saw a 50% increase in the rate per 10,000 hours of aviation safety reports from live flight operations, including aircraft maintenance and engineering, and an increase of 12% from our simulator training centres. The rate of voluntary reports per 10,000 hours in Civil Aviation is 96.15.

D&S saw an increase from 46 to 64 voluntary reports per 10,000 flight hours in FY25 from live flight training centres.

These results indicate a maturing system, enhancement of the scope of the system and a positive safety culture.

Category A and B incidents

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 sustain major damage exceeding \$100,000, or there are serious injuries. ▶

In Civil Aviation, CAE recorded 0 Category A accidents and 2 Category B incidents in FY25. The rate per 10,000 flight hours for Category A accidents and Category B incidents was 0.17, compared to 0.22 in FY24, a 23% year-on-year improvement. This rate of 0.17 is significantly better than the industry dual instruction rate of 0.29 and the general aviation accident rate of 0.53.

In D&S, CAE recorded 1 Category A accident and 0 Category B accidents. The rate per 10,000 flight hours for Category A and B incidents was 0.11. According to data from the National Transportation Safety Board (NTSB) General Aviation (GA), the overall accident rate per 10,000 flight hours is 0.53, and the instructional accident rate per 10,000 flight hour is 0.29. This indicates that CAE's accident rate is significantly lower than the industry average.

Immediate corrective actions were taken to address vulnerabilities. Information contained in the security occurrence reports, together with the analysis and corrective actions initiated, was compiled into an incident report. CAE live flight operations for training and awareness received these reports to ensure implementation across all operational levels.

Airworthiness directives

As a critical aspect of aviation safety, airworthiness ensures that aircraft meet the required standards for safe operation.

In the Civil sector, 9 airworthiness directives (ADs) issued affected 172 CAE aircraft. This was higher than previous years due to ongoing OEM changes and updates to aircraft. In the D&S sector, 3 ADs issued affected 6 CAE aircraft.

All were comprehensively addressed as mandated by regulations, demonstrating CAE's due diligence in upholding airworthiness standards.

Our FY25 aviation safety performance is further detailed in our [GRI indicators](#) and [SASB Index](#).

Lessons Learned video series

Launched in FY23, the Lessons Learned video series focuses on safety incidents and steps taken to mitigate future risk. We plan to enhance this series over FY26 as a critical part of the Civil Aviation Safety Promotion Plan, with the inclusion of enhanced data analysis reports and a Safety II focus.

Aviation safety recognition

Our Civil Aviation 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.

Annually, 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. ■

1. Micky Brighton

Lead Ground Instructor, CAE London Burgess Hill

Micky highlighted Integrated Procedures Trainer (IPT) technical issues that were successfully identified and reported, preventing training inconsistencies for our customers.

2. Connor Dunn

Instructor Pilot, CAE Phoenix

Connor successfully landed a Cirrus aircraft following an engine failure.

3. Mark Estrada

Instructor Pilot, CAE USA Dothan Training Center

Mark's rapid recognition and corrective action in assisting a student pilot underscored the effectiveness of scenario-based training in reinforcing the decision-making skills needed in real-world operations.

4. Jesus Vigal Garcia

Manager Technical Services II, CAE Madrid

Jesus reported non-compliance with prescribed policies that reduced the margins of safety.

5. Ian McLean

Airworthiness Specialist, CAE Military Aviation Training, Saskatchewan

Ian demonstrated exceptional dedication by implementing key preventative measures that significantly enhanced the safety and airworthiness of the CT156 Harvard fleet, leading to fewer incidents and improved performance.

6. Ezri Ramli

Technical Manager, CAE Kuala Lumpur

Ezri reported non-compliance with prescribed policies that reduced the margins of safety.

Aviation safety roadmap

Associated SDGs



Key result	Target year	Status
Joint		
<ul style="list-style-type: none"> > Ensure policies and procedures are reviewed annually to maintain compliance > Cultivate a Just Culture 	Annual	■ On track
Civil Aviation		
<ul style="list-style-type: none"> > Enhance safety culture survey results by 3 points, from 29% (2023) to 32% (2024) > Maintain 0 major (Category A) incidents/accidents for the entire network 	FY25	■ Achieved
<ul style="list-style-type: none"> > Increase ALoSP in ab initio training centre network by 1 point, from 82% to 83% > Increase ALoSP in non-ab initio training centre network by 1%, from 75% to 76% 		■ Not achieved <i>Subsequent target set for FY26</i>
<ul style="list-style-type: none"> > Increase ALoSP in ab initio training centre network by 31 points, from 44% to 75% > Increase ALoSP in non-ab initio training centre network to 76% 	FY26	■ On track
<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"> > -2% per year in aviation safety incidents with serious injury or material damage > +2% per year in voluntary safety reports 	Annual	■ On track
<ul style="list-style-type: none"> > Act on results of safety culture survey (launched end of FY25) 	FY26	■ On track
<ul style="list-style-type: none"> > Establish a D&S-specific audit and review program 	FY28	■ On track

Human rights

Why it matters

As a global organization, CAE considers safeguarding human rights as a fundamental corporate responsibility, integral to our mission and values. We believe every individual deserves to be treated with fairness and dignity.

As a signatory of the UN Global Compact (UNGC), CAE actively upholds human rights principles in our strategies and operations, following international standards and local laws. We are vigilant in guarding against unfair work practices, child labour and forced labour, and require the same diligence from our suppliers and business partners. We make every effort to prevent any violation of fundamental human rights in all our activities and throughout our supply chain.

Governance

CAE's Chief People and Sustainability Officer (CPSO) is responsible for organizational oversight of human rights issues and developing guidelines and initiatives to support related policies, programs and risk mitigation. The Sustainability Strategy and Reporting team actively monitors leading practices and emerging developments to support the CPSO in this mandate.

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

The CPSO and the Global Ethics and Compliance Office each provide periodic reports to CAE's Board of Directors, through its Governance Committee.

Our Global Procurement and Supply Management (GPSM) group 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.

Under the guidance of our CPSO, Human Resources Business Partners manage collective bargaining agreements for unionized employees in their respective regions.



United Nations
Global Compact

CAE upholds the [Ten Principles](#) of the UNGC in the areas of human rights, labour, environment and anti-corruption.

We also follow the core and social 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

Policy commitment to meet our responsibility to respect human rights

CAE’s management approach centres around our Code of Business Conduct, serving as the primary reference from which all our human resources policies stem. By acknowledging this Code, employees and third parties engaged on behalf of CAE affirm their commitment to our values, including respect for human rights. Suppliers, business partners and contractors are governed by CAE’s Supplier and Business Partner Code of Conduct, which outlines our requirements regarding human rights matters.

Our Human Rights Policy and Inclusive Workplace and Equal Opportunities Policy guide our actions and strategy. We address our commitment to human rights in our standard terms and conditions with suppliers, covering issues like child labour, working hours, harassment, discrimination, whistleblowing, modern slavery and human trafficking.

We uphold employees’ right to unionize and communicate freely with managers about working conditions without fear of reprisal. We respect workers’ right to association and maintain constructive relationships with unions and Work Councils globally, with our ongoing objective to work cooperatively to achieve mutually beneficial relationships.

CAE complements policy enforcement and risk management related to our suppliers and other business partners through dedicated tools and matrices that allow us to assess identified risks and assign a mitigation strategy according to the level of criticality. Learn more in our sections on [Business ethics](#) and [Responsible Supply Chain Management](#).

CAE’s Business Partners Policy enhances CAE’s existing policies and procedures governing our relationships with third-party business partners. The Policy requires enhanced due diligence to be conducted when third parties pose heightened legal and compliance risks to CAE, including with respect to human rights issues.



CAE’s Sustainable Procurement Policy aims to mitigate sustainability risks in its supply chain and outlines the risk management process in place. A supply chain risk management tool, EcoVadis, is used to assess these risks, along with a matrix that links risk mitigation strategy to the level of criticality. Suppliers’ sustainability expectations are also defined for internal application.

Human rights due diligence process

CAE has a step-by-step approach to identify and mitigate human rights risks arising from both our operations and value chain. The annual process centers around identifying, preventing and mitigating our human rights impacts.

Supplier risk identification is performed on a recurrent basis through two main tools: EcoVadis, a globally recognized sustainability rating platform leveraged as a standard in our industry, and Dow Jones’ RiskCenter, a web-based solution for advanced risk screening and monitoring.

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. All inquiries are addressed, and appropriate remedial action is taken, where necessary. If misconduct is confirmed, we apply disciplinary measures.

Consult [EthicsPoint reports](#) for more details.



Policies

- › [Code of Business Conduct](#)
- › [Supplier and Business Partner Code of Conduct](#)
- › [Human Rights Policy](#)
- › Business Partners Policy (*internal*)
- › Corporate Environment, Health and Safety Policy
- › [Inclusive Workplace and Equal Opportunities Policy](#)
- › Sustainable Procurement Policy (*internal*)

Our performance

Labour relations and rights

We commit to creating a workplace that provides equal opportunities for all employees. This involves working with unions to negotiate collective bargaining agreements that are consistent with human rights principles.

In FY25

- › Approximately **2,300** of CAE's **≈ 13,000** employees are unionized.
- › The workforce is covered by **54** different collective agreements, each with its own set of terms and varying expiration dates.

Identifying and mitigating adverse human rights risks

In FY25, a cross functional team from CAE – namely GPSM and Sustainability Strategy and Reporting – completed the [UNGC's Business & Human Rights Accelerator](#) program, reinforcing our commitment to ethical practices and responsible business conduct. This initiative provided a dynamic platform for collaboration, connecting us with human rights experts and business peers and helping us build additional capacity with regards to this pressing issue.

We gained a comprehensive understanding of CAE's human rights risk universe, completing a due diligence process in which we mapped our risks by geography all along our value chain, assessed their likelihood and severity, and developed a detailed action plan to accelerate our efforts.

As part of this risk assessment process, we confirmed that CAE is exposed to human rights risks through our sub-tiers suppliers network, including purchases of materials and components where child labour, forced labour and discrimination are prevalent.

Up to FY25, CAE's suppliers human rights risk monitoring process covers¹:

- 133 of our suppliers, representing 50% of our total spend and 98% of our spend with our direct strategic suppliers, have been screened for human rights risks by EcoVadis since August 2023.
- 600+ of our direct suppliers with whom we have contracted during FY24 and representing also half of our total spend were screened through Dow Jones' RiskCenter.

¹ All numbers presented in the human rights risks coverage exclude CAE USA.

Prioritizing ethics and human rights awareness

We require all employees to undergo annual training on CAE's Code of Business Conduct, which includes a module titled "Respecting Each Other." This training raises awareness on human rights issues, including harassment of any kind, the prohibition of use of child or forced labour and human trafficking.

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





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"> Bottom-up risk assessment of CAE's direct and indirect exposure to human rights-related issues 	FY25 <i>(postponed from FY24)</i>	■ Achieved
<ul style="list-style-type: none"> Establishment of proper protocols to prevent and mitigate direct human rights risks Complete risk assessment of selected strategic suppliers (roll out of third-party risk assessment and monitoring tool) 	FY25	■ Achieved
<ul style="list-style-type: none"> Delivery of customized training for most exposed teams 	FY26	■ Postponed <i>FY26 based on bottom-up risk assessment which was completed in FY25</i>

R&D and innovation

Why it matters

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

Keeping track of the latest market and technological advancements, we quickly adapt to evolving trends. Working as One CAE, we develop advanced software-based simulation training and critical operations solutions that benefit our customers and help make a positive impact.

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



Governance

R&D allocation and investment

Our R&D strategy and investments undergo an annual review process that identifies priorities and spend to generate an approved list of initiatives. Multiple aspects of sustainability inform our strategy, including the voice of customers. Sustainability criteria also factor into CAE’s capital allocation decisions and R&D investment proposals.

The following members of our management team oversee investments in accordance with CAE’s corresponding Research and Development Investment Policy:

- President and Chief Executive Officer
- Chief Operating Officer
- Chief Financial Officer
- Chief Legal and Compliance Officer, and Corporate Secretary
- Chief People and Sustainability Officer
- Chief Technology and Product Officer (CTPO)

The CTPO plays a pivotal role in R&D strategy development and the protection of our technological advancements and products, in particular by anticipating and addressing the fast-paced development and adoption of new and disruptive technologies such as artificial intelligence (AI).

The Global Head of Collaboration and Government Programs, and Academic Partnerships oversees all investments and engagements with CAE’s innovation, research and development academic collaboration ecosystem, supported by the Global Academic Collaboration Committee to facilitate governance of CAE’s R&D portfolio worldwide.

Our Incubation Operational Steering Committee evaluates new disruptive ideas –innovations that change the way consumers, businesses and industries operate –for feasibility and product roadmap fit. ▶

Intellectual property

Essential to safeguarding CAE’s competitive intelligence and R&D investment, our intellectual property (IP) governance framework ensures the effective management of assets and risks in alignment with the organization’s business objectives.

CAE’s Intellectual Property Policy outlines the core principles underpinning our governance framework and the responsibilities of primary internal stakeholders. An IP Committee composed of our Chief Legal and Compliance Officer, and Corporate Secretary and CTPO oversees key decisions with material repercussions on the business.

Our IP department leads initiatives that include protecting high-value assets, addressing risks and facilitating negotiations. The department also institutes policies and guidelines and runs training and awareness programs in conjunction with our Legal department. ■

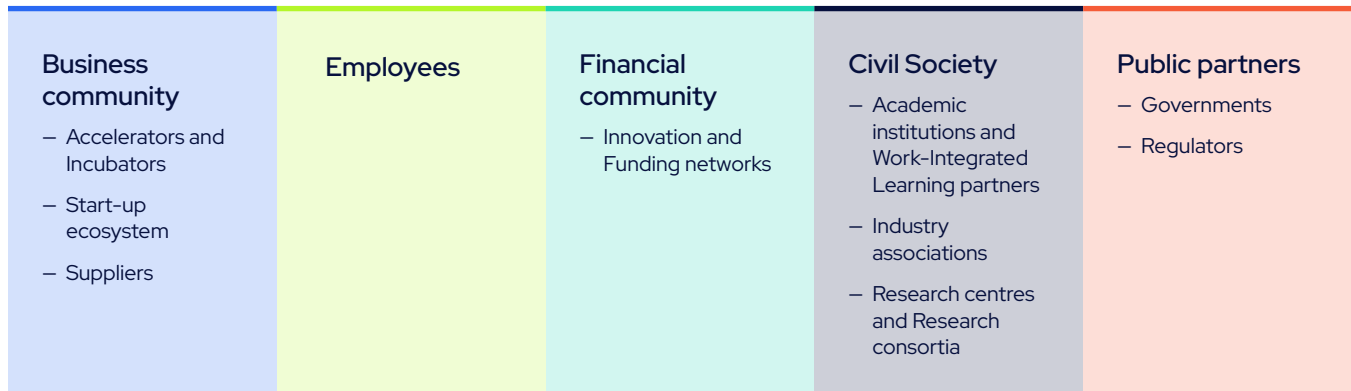
Management approach

Alliances and partnerships

CAE partners with over 50 academic institutions, research centres, laboratories and consortia worldwide to foster collaboration and create value through collaborative R&D initiatives aligned with our goals. We also team up with technology accelerators and incubators and are active members of a variety of associations and networks.

Through these partnerships, we develop advanced technologies, access leading expertise and contribute to advancing skills and talent development at CAE and in the broader innovation ecosystem.

CAE’s innovation and collaboration ecosystem



CAE has a legacy of creating and supporting major initiatives in the sectors in which we operate and has deep roots collaborating with a broad range of entities, including:

- Early member of the Consortium for Research and Innovation in Aerospace in Québec (CRIAQ), the Institute for Data Valorization, Initiative for Sustainable Aviation Technology, Waterloo Institute for Sustainable Aeronautics, H2CanFly and Confiance IA;
- Member of Centech, a world-class incubator dedicated to deep tech startups;
- Member and major partner of LE CAMP, an accelerator dedicated to the growth and mentorship of tech businesses. ▶

IP portfolio

Our focus is on protecting IP that drives corporate value while also respecting the rights of third parties. Accordingly, CAE takes action to protect, improve and expand our portfolio.

We prioritize the protection of assets that distinguish our products and services in the marketplace; provide strategic positioning in emerging markets; facilitate partnerships; and reduce exposure to cybersecurity and litigation risks.

As we grow our IP portfolio, we closely monitor innovations pertaining training and preparedness leveraging state-of-the-art technologies such as AI, alternate reality technologies and biometry. ■

Programs

CAE Inventors' Circle

The CAE Inventors' Circle celebrates and encourages the innovative spirit of our culture. This program supports the continuous acquisition of knowledge in innovation and IP at CAE through training in the patent process and opportunities to shape our technology roadmap.

Members of the Inventors Circle help define CAE's high-tech future. Our CAE Eureka initiative offers a monetary award as an incentive and, in recognition of their patent contributions, we honour our inventors in a Patent Wall induction ceremony.

Innovation Framework

From guiding principles to process and evaluation, our Innovation Framework assists teams in the development of an agile model that prioritizes relationship building among all actors of CAE's evolving innovation and collaboration ecosystem.

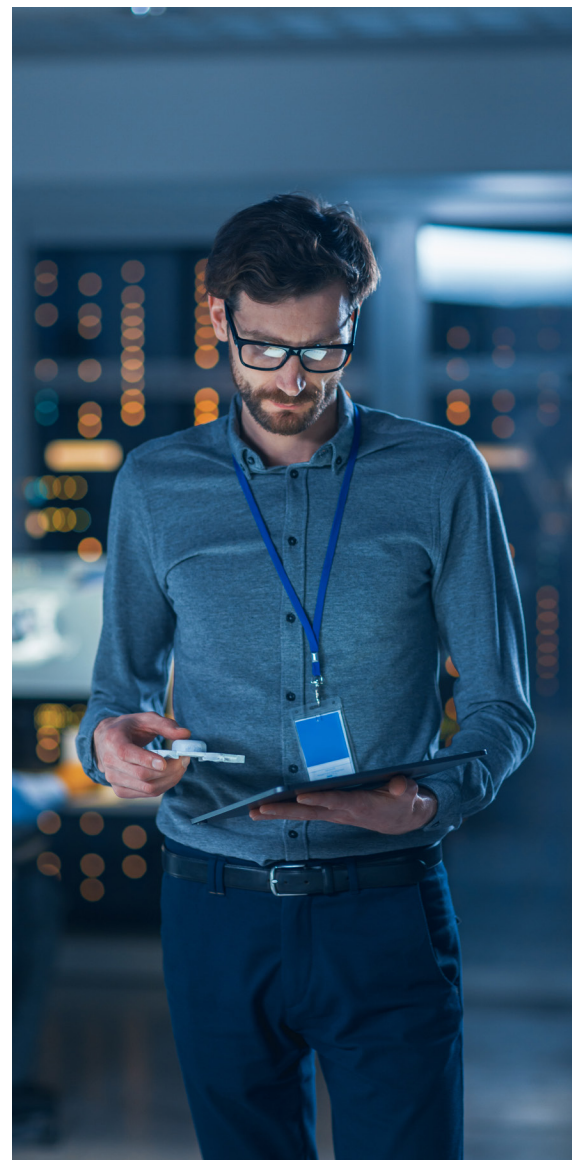
CAE's internal innovation ecosystem encompasses CAEImagine and CAE Incubation, two programs that play a distinct role in driving creativity and growth and in the delivery of our strategy. Together, they ensure continuous innovation, operating at different stages of the developmental pipeline to stimulate new ideas and guide them to market readiness.

CAEImagine — This employee program empowers everyone at CAE to innovate and add value, internally for our people and externally for our customers. With a focus on learning, our global program creates opportunities for collaboration across business units, functions and geographies.

Since its 2022 launch, the program has been very successful, with 14 innovation challenges that have generated over 1,200 ideas, 15 proofs of concept and six projects. Additionally, over 100 coaching sessions have been held, reaching more than 2,000 employees.

CAE Incubation — By nurturing and developing disruptive ideas, this program identifies new products and services with the potential to drive future growth. Our incubation process is inspired by the traditional startup investment model; funding approval occurs at each critical stage, from initial concept to ultimate handover to the business.

True to its nature, our Innovation Framework continues to evolve, as detailed in [Our performance](#). ►



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 capital.

Technical Career Track — Since its introduction over a decade ago, the technical track has served as a dedicated career path for technical staff at CAE. It promotes the development of a broad range of skills to ensure CAE remains innovative, competitive and a leader in our market. Members also gain knowledge through their participation in conferences and tech events that cover the latest scientific advances, some featuring CAE leadership as speakers and panelists.

CAEImagine coaching network — This new offering promotes intrapreneurship and leverages the diverse background and expertise of the coaches.

CAE Tech Week — From among the many Technical Track members, we recognize individuals from across our organization for their demonstrated excellence. These “Technical Stars” gather at our Montreal headquarters for a week of collaboration, knowledge-sharing and best practice cross-pollination activities.

Global Technology and Product organization — Initiatives include team training and development activities and companywide events that promote knowledge sharing and invite all employees to learn more about innovation at CAE.

Collaboration with our suppliers

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

For example, we called on various industry partners to help a composite supplier address the challenge of enhancing productivity to meet increased volume demands. This unique collaboration resulted in the development of a new infusion process and refined formula, helping the supplier reach production targets and realize environmental benefits. Traditional materials were replaced with polyethylene terephthalate (or PET, the most commonly recycled plastic) and product weight fell by 155 kilograms. Styrene emissions were eliminated with the changes made, contributing to improved employee health and safety.

Challenges such as these inspire us to adopt innovative approaches to meet operational and sustainability requirements.

Additional projects done in collaboration with our suppliers are reported in the [Climate change mitigation - Decarbonization](#) section.



Policies

- > [Charitable Donations and Sponsorships Policy](#)
- > [Code of Business Conduct](#)
- > [Intellectual Property Policy \(internal\)](#)
- > [Research and Development Investment Policy \(internal\)](#)

Our performance

R&D spend over FY21–25

Our continued investment in R&D highlights CAE’s dedication to technological advancement and pushing the boundaries of excellence. Over the past five years, our total gross R&D spend has exceeded one billion dollars, with annual expenses as follows:

We are honoured to be recognized among Canada's Top 100 R&D investors in 2024, with CAE securing the #14 spot across all industries and #2 in aerospace R&D spending for the fourth consecutive year. ▶

Securing IP

Through FY25, CAE submitted 20 patent and industrial design applications and was awarded 18 registrations. As of April 1, 2025, our IP portfolio comprises 281 patent and industrial design registrations and 91 pending applications. Our portfolio leads the industry with the greatest number of patented inventions in flight simulation and training, demonstrating our exceptional capacity to innovate.

Biometry-based performance assessment

CAE’s patent-pending invention combines AI and biometry to assess the cognitive load of a student pilot over the course of a flight training session, with biometric data collected through non-invasive means. The assessment provides the flight instructor with invaluable insights to grade the performance of the student, provide feedback and prescribe further lessons. This project involved HEC Montréal Tech3LAB for the initial data collection process and resulted in the publication of a white paper presented at the 2023 I/ITSEC conference.

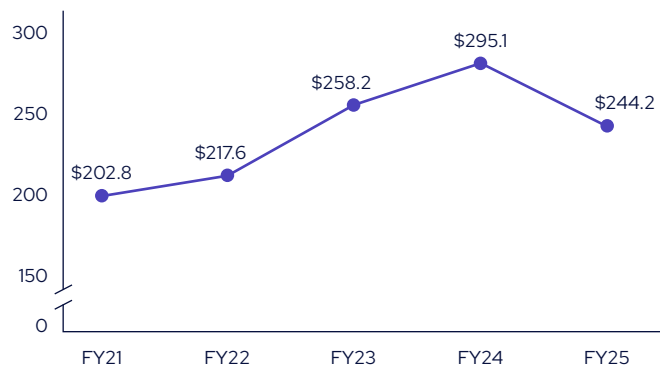
CAE wins Silver Edison Award

We received a 2024 Silver Edison Best New Product Award for our CAE Prodigy¹ in the Flight Training and Safety category. The Edison Awards recognize and celebrate excellence in new product and service development, marketing, design and innovation.

Our fully integrated solution combines leading-edge Commercial-Off-The-Shelf projection technology and an innovative rear-projection display system to create a high-performance immersive visual experience that permits the training of complex procedures in a safe virtual environment.

1 Known previously as CAE e-Series MR Visual System.

Gross R&D expenses – Amounts in millions



CAE wins two Mercuriades awards

CAE won the Technological Innovation award, large enterprise category, for our CAE Connect platform. CAE Connect centralizes the management of bookings, schedules, certifications, and documents, as well as payments for our clients.

Furthermore, CAE received the top honors of the evening by being crowned Company of the Year. This award recognizes companies that have particularly distinguished themselves by the overall excellence of their performance or by their exceptionally meritorious successes. By winning this award, CAE is now part of the Club of Excellence, an exclusive business group in Quebec.

CAE was also a finalist in the Circular Economy Strategy and Sustainable Development categories for the CAE Resilient Together Program. The annual competition, organized by the Fédération des Chambres de commerce du Québec, celebrates the important contribution of businesses to the region’s economic development.

CAE wins Red Hat Award

This year, CAE was honored with the 2025 Red Hat Innovation Award for our advancements in flight services efficiency, powered by Red Hat OpenShift. This platform has enabled us to streamline critical operations across a network supporting over 40 million flights annually.

This initiative laid the groundwork for a broader digital transformation, allowing us to address system vulnerabilities through AI-driven tools and automation. The success of this transformation is now being extended to our flight simulation operations, where we are on track to have the same digital stack. ▶

Notable academic collaborations

CAE spearheads transformative projects across various domains, as exemplified by a representative selection of innovation projects underway to build tomorrow's sustainable aerospace.

MAIDAY — In collaboration with École de Technologie supérieure and an industrial partner, this R&D project focuses on the development of tools to accelerate flight test data processing by combining AI methodologies and flight physics. This project operates under the CRIAQ and Natural Sciences and Engineering Research Council of Canada (NSERC).

AIRGIFT — In collaboration with Université de Sherbrooke and an industrial partner, this R&D project focuses on the development of a comprehensive data processing pipeline for generating synthetic data from a sophisticated simulation environment of a flight corridor. Parameters include meteorological conditions, ground infrastructure, airspace traffic interactions and quality of communication links for drone operation. The project also received support from the CRIAQ and NSERC.

Skill development methodology for Human Machine Teaming (HMT) training — In collaboration with the University of New South Wales (Australia), this R&D project focuses on developing a training methodology for operators of autonomous systems in human-machine teams, to effectively prepare them to collaborate with a swarm of distributed unmanned vehicles and agents. The project includes the design and development of training curricula and report on user performance in operation and command of such autonomous systems.

INTEGRAL-TX — In partnership with the RWTH Aachen University, Institute of Flight System Dynamics (Germany), the Cologne Bonn Airport (CGN) and two industrial partners, this R&D project aims to develop methods and technologies that enable seamless integration of air taxis and unmanned aerial systems into regular operations at commercial airports. A CGN digital twin developed for the project will test innovative solutions for automated flight guidance, traffic management and 5G-based communication. Results will then be validated in a realistic environment to create a transferable model for other airports.

LVC-RD — In partnership with Obuda University (Hungary) and an industrial partner, this R&D project focuses on the development of a next-generation graphical user interface for setting up and operating global scale, complex, multi-domain Live-Virtual-Constructive scenarios in support of mission preparedness.

Internal innovation challenges and advances

In FY25, we initiated two innovation challenges under CAEImagine. The challenges generated over 200 employee submissions and led to five proofs of concept.

Within the CAE Incubation program, two disruptive ideas reached the development stage of the incubation process and 15 were identified for inclusion in the incubation pipeline.

External innovation partnerships

Project Resilience

Launched in July 2021, CAE's Project Resilience represents a five-year, \$1 billion R&D investment program to create transformative technologies that will shape the future of pilot training, in collaboration with subject matter experts, postsecondary institutions, research centres and STEM institutions across Canada.

Advancements in FY25 continued and included the development of many proof-of-concepts to enhance safety, efficiency and effectiveness across the different training domains and platforms, including green aviation technologies, as well as advancing CAE's digitally immersive and AI-powered high-tech training and operational support solutions.

Project FIDELIA

Project FIDELIA, which concluded in February 2025, was one of two initial projects launched under Confidence IA, an industrial consortium for the development of sustainable, ethical, secure and responsible AI. CAE collaborated with two industrial partners from the telecommunications and AI sectors and a public research centre.

The goal was to develop monitoring tools to enhance the reliability and robustness of industrial systems by detecting and characterizing operational biases. The project produced a guide on analyzing algorithmic and cognitive biases. It also created a benchmark of analysis solutions and developed a web application with a graphical interface to detect and analyze automation biases related to cognitive overload in decision-making systems. ▶

Project Éco-Envol

Under the Éco-Envol project, CAE deployed an Environmental Product Compliance strategy, with actions taken on two key requirements:

- Measure and declare chemical substances in our products to our customers based on data provided by our suppliers.
- Assess the risks related to usage and replace all banned substances.

We selected a dynamic tool to address data collection, supplier awareness and reporting requirements associated with emerging environmental compliance regulations. We also began the integration of a management system for regulated substances and implementation of a risk mitigation plan for obsolescence. ■



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>

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, CAE seeks to make a positive impact as a neighbour of choice.

This includes partnering with organizations whose programs and initiatives encourage the next generation to pursue careers as STEM professionals or in aviation as pilots.

We also encourage and support our employees in their efforts, many of whom give their time, expertise and financial contributions through our CAEvolunteering program to make a difference around the world.

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. 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. Coordination and administration of this policy are the responsibility of the Chief People and Sustainability Officer (CPSO), who oversees the strategy behind CAE's contributions.

The Global Academic Collaboration Committee, comprised of regional focal points, supports the CPSO by ensuring representative input on our academic funding strategy and initiatives. Scholarships are awarded on a competitive basis by the appropriate faculty or foundation, in line with agreements between the institution and CAE.

The Board, through its Governance Committee, receives a report on the annual financial contributions associated with our charitable giving portfolio in a detailed breakdown by sector, region and expenditure.



CAE's Global Head of Collaboration and Government Programs, and Academic Partnerships who reports to the CPSO, oversees CAE's portfolio of collaborations and focuses on ensuring we fulfill objectives related to program benefits and sustainability.

To further our commitment to supporting education and community engagement with Indigenous stakeholders, the Indigenous Scholarships and Community Involvement Subcommittee oversees the allocation of scholarships and community investments. The Subcommittee ensures these allocations align with CAE's strategic focus on STEM and aviation-related education to empower Indigenous communities and prepare the workforce of tomorrow.

Management approach

Community

As much as possible, we work with our local sites to support causes that meet our policy focus or support stakeholder engagement.

Centralization of reporting under the CPSO, together with localized financial management independent from corporate funding, allow for an aggregate view of CAE’s global investments in charitable support and a unified strategy underscored by 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.

- **Matching program** – Through Dollars for your cause, CAE recognizes up to 150 employees for their community involvement by donating \$250 to the cause of 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.
- **Employee recognition** – Each year, we request nominations for the CAE Volunteer of the Year award 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.

This approach, which involves nonprofit organizations and academia, enhances learning experiences for both students and CAE employees. Additionally, we encourage our employees to engage with nonprofit boards and committees, furthering CAE’s contribution to education and work-integrated learning (WIL).

Global Academic Collaboration Committee

Committee members drive joint research, education and WIL initiatives. Led by the Collaboration and Government Programs, and Academic Partnerships team, the Committee improves the coordination, governance and growth of our global network of academic partners.

Advancing global learning

CAE promotes cooperative education and internship opportunities as part of our WIL activities. These programs, managed either by CAE or through partnerships, are integrated into students’ curricula, offering hands-on experiences that enrich their academic journey.

CAExplore – 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 CEGEP¹ and 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 defence and security sectors. Through mentorship, internships and more, the program invests in future leaders while promoting a more diverse workforce.

Driving innovation and collaboration

CAE works with multiple nonprofit organizations that develop opportunities for the workforce of tomorrow, including the Business + Higher Education Roundtable; 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](#)
- > [Educational Assistance Policy \(internal\)²](#)
- > [Research and Development Investment Policy \(internal\)](#)



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 span the entire educational spectrum, from the initial stages of higher education to advanced doctoral studies and practical apprenticeships, including continuous education for adults and those re-entering the workforce, as well as innovative educational formats.

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

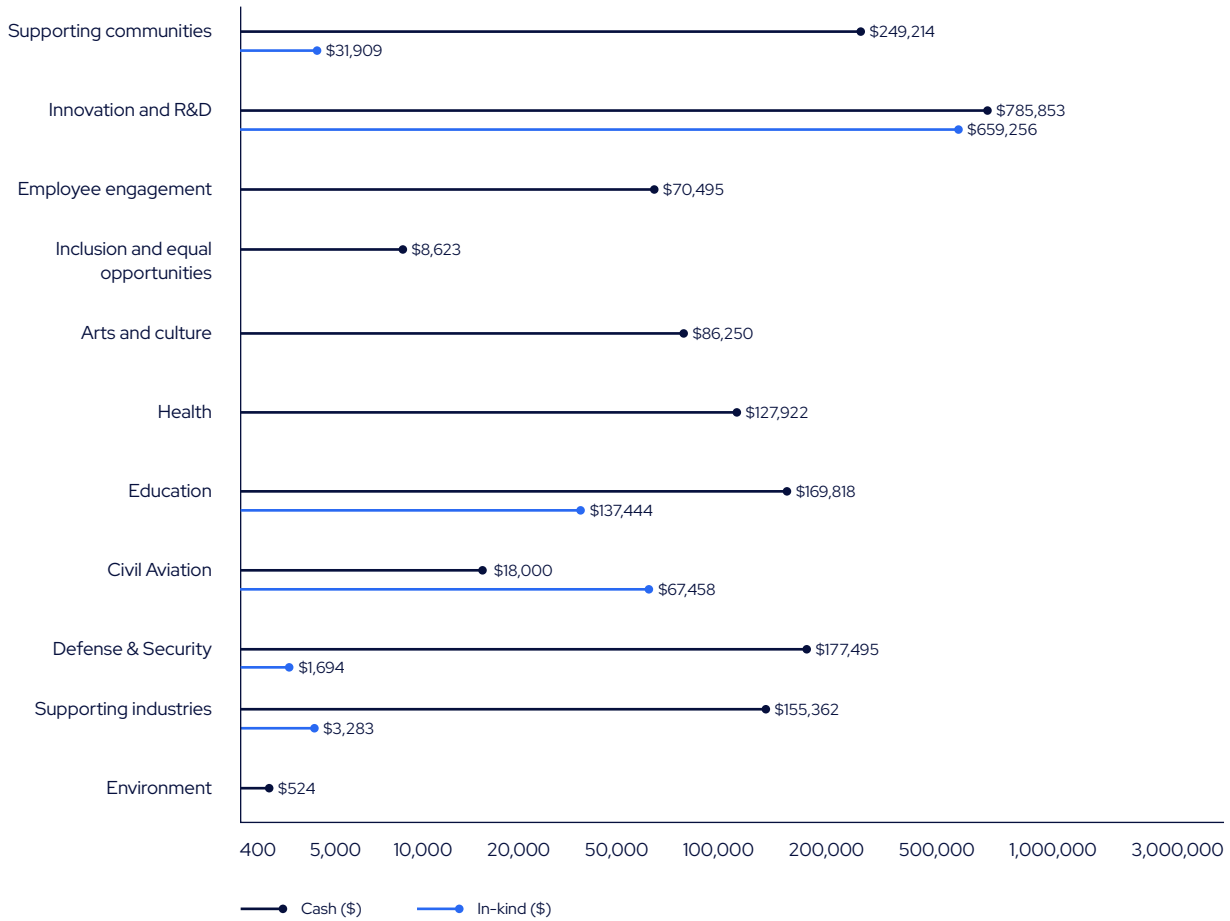
¹ Situated in all regions of Quebec, CEGEPs represent the first stage of higher education.
² Applicable in Canada

Our performance

Community

Donations and sponsorships

In FY25, CAE donated \$2,750,600 (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 FY25

Cash donations	\$1,849,556
In-kind donations	\$901,044
Total donations	\$2,750,600

In FY25

- ▶ CAE and our employees supported close to **226 charities worldwide** through partnerships, donations and sponsorships.

Volunteer of the Year awards

The 7 recipients awarded the CAE Volunteer of the Year made exceptional contributions. In this year's edition, these individuals collectively donated over more than **1,300** hours to make a positive impact in the communities where we live, work and serve.



	<p>GOLD</p> <p>Nicole Deguire</p>	<p>SILVER</p> <p>Chelsi Chavez / Alexia Marsillo / Elias Lesmeister</p>	<p>BRONZE</p> <p>Kevin Sklenicka / Izabela Dabrowa / François Blais</p>
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Corporate Angel Network

As a sponsor of the Corporate Angel Network, CAE is proud to play a part in helping them fly more missions than ever before this year and 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. We proudly support The Honor Foundation, a career transition program for U.S. Special Operations Forces (SOF) members, and hosted their annual Trek Tour at the CAE Tampa Training Centre in Florida. 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, with France Hébert, Division President Defense & Security Canada, serving on the board. We are part of the Military Spousal Employment Network, which connects military spouses and partners with career opportunities. Additionally, CAE supports Women in Defence & Security, participating in their national mentoring program and other events. ▶

CAE employees, partners and our union once again raise over a million dollars for Centraide

CAE has once again been awarded the Centraide du Grand Montréal's Solidaire prize in the Mobilisation category, marking the third consecutive year of this achievement. ▶

▶ [Read the press release](#)



INDIGENOUS PEOPLES

CAE's commitment to Reconciliation

In our commitment to building and growing long term and meaningful relationships with Indigenous communities in Canada and worldwide, CAE has made strides over the past two years.



PAIR Certification

CAE has committed to the Partnership Accreditation in Indigenous Relations (PAIR) Certification Program, a rigorous, independent third-party certification program for corporate performance in Indigenous relations.

Indigenous Advisory Board

The CAE Indigenous Advisory Board guides our reconciliation efforts.

Indigenous Relations Policy

CAE's Indigenous Relations Policy provides a consistent approach to the company's relationships with Indigenous Peoples.

The Policy sets out CAE's commitment to Indigenous communities, businesses and individuals, and outlines the behaviours and actions expected of all our employees and leaders, 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 accompanying Leadership Statement on Indigenous Relations identifies the four-pillar focus of our work:

- Leadership
- Community relationships and skills development
- People (*Employment*)
- Economic empowerment (*Business Development*)

FIRE Employee Resource Group

First Peoples Inclusion & REconciliation (FIRE) connects CAE to Indigenous communities globally and fosters opportunities for engagement.

Education

Scholarships and awards

Either directly or through endowments, CAE contributed in excess of **\$450,000** in scholarships globally over the past three years to support perseverance and academic excellence in disciplines most relevant to our organization.

In FY25, CAE offered **541** 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 were also available.

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

Collaboration with Algonquin College

CAE's renewed collaboration with Algonquin College will leverage cutting-edge educational programs and industry-leading technologies to empower workforce development and support Indigenous education. Algonquin College is the largest polytechnic institute in Eastern Ontario, with campuses in Ottawa, Perth and Pembroke.

CAE represented at FIRST World Robotics Championship

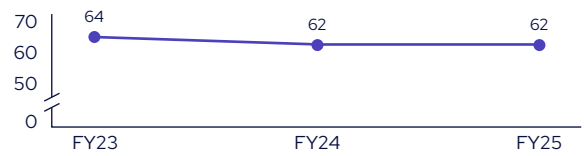
Coached by a CAE employee, our student robotics team won the FIRST Tech Challenge Think Award in Montreal and were finalists for the prestigious Inspiration Award, qualifying them to compete as one of 600 teams in the 2025 FIRST Championship, a four-day international youth robotics competition held in April.

CAE Homebush highlights STEM careers

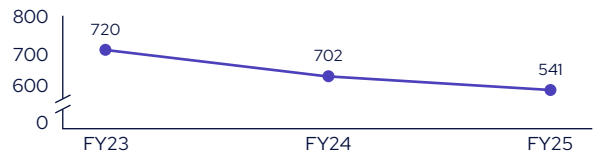
The CAE Homebush in Australia welcomed employees' children to explore training, engineering and science through various guided activities. Organized by the Professional Women's Network, one of CAE's seven Employee Resource Groups, the event featured engaging workshops to foster creativity and problem-solving skills.

Over 20 children experienced virtual training solutions, participated in an engineering and flying challenge, and interacted with pilots and professionals.

Number of scholarships and awards delivered since FY23



Number of internships awarded since FY23 (mandates)



CAE Women in Flight encourages young girls and women to dream big

On International Women's Day, Air Canada and CAE announced the eight winners of the 2025 Captain Judy Cameron Scholarships. The two Montreal-based global aviation companies have again joined forces to award scholarships to eight women from across Canada who are pursuing careers as commercial pilots or aircraft maintenance engineers. Women will play a key role in meeting the aviation industry's demand for pilots in the future; this scholarship inspires women undertaking aviation careers and provides them merit-based support.

The Captain Judy Cameron Scholarship, now in its sixth year, was established in honour of Air Canada's first female pilot. Scholarships are awarded annually by Air Canada and CAE, in conjunction with the Northern Lights Aero Foundation, to foster the next generation of women in aviation. ▶

▶ [Read the press release](#)



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, which promotes and encourages youth ages 12 to 18 to develop an interest in aviation, leadership and citizenship. ■



Air Cadets from squadrons 867 Vaudreuil-Dorion, 555 Maple Leaf and 96 Alouettes

Air Cadets from squadrons 690 Lakeshore, 687 Laval-des-Rapides and 709 Vimont-Auteuil

Associated SDGs



Education and community engagement roadmap

Key result	Target year	Status
<ul style="list-style-type: none"> › Support through financial and/or in-kind contributions on average 10 student-led societies, technical clubs, hackathons or case competitions › Dedicate at least 30% of scholarships and education-related sponsorships to promote a diverse and inclusive representation of students › Collaborate on average with 50 post-secondary institutions and research centres globally 	Annual	■ On track
<ul style="list-style-type: none"> › Assess options to increase target donations and sponsorships to rising causes outside North America › Create 100 new scholarship positions 	FY26	■ On track
<ul style="list-style-type: none"> › Increase by 10% the number of internships and work-integrated activities 	FY27	■ On track

Governance



3
Good health
and well-being



5
Gender
equality



8
Decent work and
economic growth



13
Climate
action

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, 12 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 businesses.

This is achieved by setting policies for the company, overseeing strategic planning, managing risks, monitoring the company's performance and appointing management. The Board also provides management with appropriate advice and performance feedback and determines their 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, accounting, human resources, compensation, government relations, R&D, legal, governance, information technology, cybersecurity, digital, sustainability, risk management, international markets, capital markets, M&A, manufacturing and supply chain.

See the Board Attributes matrix in our [FY25 Management Proxy Circular](#) to learn about the Directors' skills and experiences.

Among our corporate governance best practices, the roles of Chair of the Board and President and Chief Executive Officer (CEO) are separate, and the Chair of the Board is independent. The CEO reports to the Board and serves as a Director; however, the independent Directors meet separately from the CEO at each Board and Board Committee meeting.

Selection and terms

The Board, through the 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 Governance Committee identifies and recruits suitable potential Board members. These candidates are recommended to the Board as nominees for election at the 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 our [Board and Executive Management Composition Policy](#).

Committees

Three 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](#) and [Human Resources Committee](#) serve as guiding documents, outlining roles, responsibilities and governance procedures. Committee Charters are overseen by the Chief Legal and Compliance Officer, and Corporate Secretary, 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 [FY25 Management Proxy Circular](#) and our website for a detailed view of [CAE's corporate governance structure](#).

Sustainability governance

CAE's governance framework includes oversight and strategic direction regarding sustainability initiatives, with quarterly updates, roadmap approvals and strategic guidance provided by the three Board Committees. This governance ensures that these considerations are integrated into the company's decision-making and long-term strategy.

For a detailed view of CAE's sustainability governance structure, 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 as well as reference materials and executive briefings.

CAE’s management team and the Governance Committee keep all Directors aware of major developments in corporate governance, important trends and changes in legal or regulatory requirements. The Board also receives presentations from leadership on CAE’s performance and matters relevant to our business, industry and the competitive environment in which we operate.

Throughout the year, Directors are briefed on multiple occasions on CAE results including industry trends in key areas, such as aviation safety, cybersecurity and enterprise risk management. Directors also participate in site visits and industry events.

Policies

>

Board and Executive Management Composition Policy

>

Conflicts of Interest Policy (internal)

>

Corporate Governance Guidelines

Our performance¹

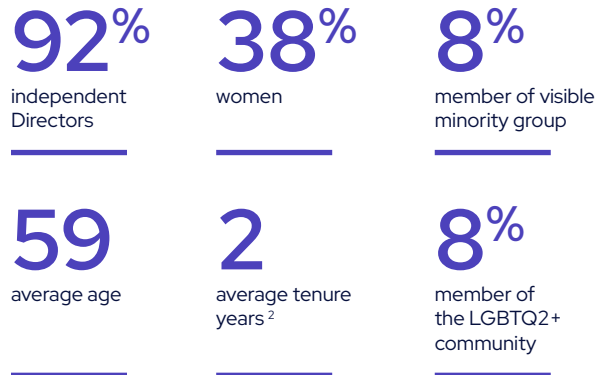
Changes to the CAE Board of Directors

In FY25, we welcomed six new Directors: Patrick Decostre, Ian L. Edwards, Peter Lee, Katherine A. Lehman, Louis Têtu and Calin Rovinescu, who serves as Board Chair.

The size of CAE’s Board remains unchanged at 13, as the six appointments were made in conjunction with the retirement of six Directors: Alan N. MacGibbon (former Chair), Margaret S. (Peg) Billson, François Olivier, David G. Perkins, Michael E. Roach and Andrew J. Stevens. We thank them for their exceptional service and valuable contributions during their tenure.

These changes followed consultations with CAE’s stakeholders that focused on the Board’s ongoing review of its composition and a transition toward renewed Board leadership.

Board profile



¹ Certain data is reported in accordance with the requirements of securities regulations and the Canada Business Corporations Act.
² For non-executive Directors.

In FY25

- The Governance Committee of the Board received briefings facilitated by CAE senior management on the importance of a sustainability watch and associated market signals in monitoring a company's sustainability performance. Directors also participated in a review of mandatory reporting obligations that included a deep dive into the European Corporate Sustainability Reporting Directive (CSRD).
- In addition, they were updated on the latest internal developments in artificial intelligence, cybersecurity and aviation safety.



Corporate governance roadmap

Please refer to our [FY25 Management Proxy Circular](#).

Business ethics

Why it matters

Ethics build trust, goodwill and value, and are central to CAE's success. Our success rises or falls with our ability to consistently meet the highest standards of ethical behaviour, which is why we count 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 in every instance, we expect the same from our employees, business partners and suppliers. Our world may be increasingly complex, but the values and principles we uphold at CAE are straightforward and timeless.

Governance

CAE's corporate governance is rooted in the basic principle that proper and 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 throughout CAE, including 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 CAE's Code of Business Conduct and ensures that the Code and other compliance policies are implemented throughout CAE. The Committee also receives regular reports on CAE's 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, Chief Operating Officer, Division Presidents and all levels of management across all functions 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. 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 the compass for how we do business and for the values we put into practice every day. The Code provides employees with clear standards, helpful examples and information on where to go for guidance about ethical decision-making or to raise concerns – including the CAE Ethics Helpline, which allows for anonymous reporting or “whistleblowing.”

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 of CAE’s Directors, officers, employees and any third party acting on CAE’s behalf. Directors, officers and employees are required annually to acknowledge and commit to upholding 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.

Anti-Corruption

CAE enforces a zero-tolerance policy for bribery and corruption of any kind and maintains strict anti-bribery and anti-corruption measures to prevent, detect and address risk.

Internal controls and procedures in place to identify, evaluate and mitigate bribery risks include, among others:

- Conducting risk-based due diligence on business partners;
- Providing anti-corruption training and certification;
- Incorporating anti-corruption clauses in agreements *(including audit right provisions)*;
- Ensuring proper documentation and approval for third-party payments; and monitoring the exchange of business courtesies.

All employees receive general anti-corruption training as part of the annual Code of Business Conduct training. Those that occupy certain high-risk roles undergo targeted anti-corruption training that articulate 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 sanction 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. ▶

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 expect every CAE supplier and business partner to uphold these principles throughout their supply chain. Our commitment to ethical sourcing and supplier relationships is also covered in the [Human rights](#) and [Responsible supply chain management](#) sections.

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. As per our Internal Reporting/Whistleblowing Policy, all reported activities of concern are assessed to determine if an investigation is required and, if so, investigations are thoroughly conducted.

Reports can be submitted securely and confidentially via the CAE Ethics Helpline, which offers confidential 24–7 support and service.

Teams within our Human Resources, 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.

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

Our performance

Strengthening ethical standards

In FY25, we updated our Code of Business Conduct and our Supplier and Business Partner Code of Conduct as part of our regular review of CAE policies.



Policies

- > [Anti-Corruption Policy](#)
- > [Business Courtesies Policy](#)
- > [Business Partner Policy \(internal\)](#)
- > [Charitable Donations and Sponsorships Policy](#)
- > [Code of Business Conduct](#)
- > [Conflicts of Interest \(internal\)](#)
- > [Global Export Compliance Guidelines \(internal\)](#)
- > [Human Rights Policy](#)
- > [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](#)

In FY25

- > **Over 97%**¹ of CAE employees worldwide completed the acknowledgment of our Code of Business Conduct.
- > **Over 97%** of CAE employees worldwide have completed the on-line training on the Code of Business Conduct.

¹ 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 FY25, we received a total of 27 ethics reports and inquiries via the independent CAE Ethics Helpline website and global call centre. These reports originated from diverse geographical regions, with contributions from Europe (4%), Canada (48%), the U.S. (30%) and other regions (18%).

Among the issues raised, the majority of concerns pertained to human resources. This trend underscores the significance of maintaining robust human resource policies and fostering a supportive and respectful work environment.

Issues*	FY25*
Breach of Confidentiality and Privacy	2
Breach of HR Policies and Procedures	2
Bribes, Improper Payments and Business Integrity	0
Business Courtesies	0
Conflicts of Interest	4
Environment	0
Equal Opportunity and Discrimination	0
Export Controls and Economic Sanctions	0
Fraud and Deception (including Accounting or Financial Reporting)	4
Harassment and Bullying	11
Health & Safety (including Aviation Safety)	1
Human Rights	0
Insider Trading	0
Intellectual Property Infringement	0
Physical Security and Cybersecurity	0
Procurement	1
Product Quality and Safety	0
Retaliation	1
Sexual Harassment	0
Unfair Competition	0
Working with Governments	0
Other	1
Total	27

* Issue types have now changed following the adoption of the new Internal Reporting/Whistleblowing Policy. For FY24 and FY23 data, please refer to our FY24 Global Annual Activity and Sustainability report.

Business ethics roadmap

Associated SDGs



Key result	Target year	Status
> Review Code of Business Conduct	Annual	■ On track
> Assess Code of Business Conduct training	Annual	■ No changes made to the training in FY25
> Continuously improve capabilities to detect and remediate policy exceptions and any non-compliance across the organization	Annual	■ On track
> Strengthen CAE's Speak Up culture, with respect to our Internal Reporting/Whistleblowing Policy and process		
> Increase training and enforcement of CAE policies related to business partners, contractors and suppliers	FY25	■ Postponed (FY26)

Data privacy

Why it matters

At CAE, data protection and privacy are strategic priorities, particularly given the value of the information we handle daily, including personal information.

We recognize the importance of protecting the privacy of those who entrust us with their information. Ensuring responsible and ethical handling of personal information requires vigilance, a holistic approach to data privacy, and ongoing compliance with a myriad of data privacy laws and regulations in force worldwide. Violation of applicable data protection and privacy laws and regulations can not only lead to regulatory penalties, audits or investigations by various government agencies, but also damage our reputation or lead to loss of confidence in CAE's products, services and digital technologies.

Accordingly, we implement leading security measures to protect the privacy of our stakeholders and stay current with all relevant regulations and leading practices to maintain their trust.

Governance

The Board of Directors' Governance Committee reviews and has oversight responsibility for CAE's Global Data Privacy Program. A key component of this program is CAE's Global Data Privacy Policy, which embeds our guiding principles for the fair handling of personal information.

This Policy applies to all our relations with stakeholders (employees, contingent workers, customers, suppliers, partners and others) and to all types of activities involving the collection, use, storage, disclosure and processing of personal information. Our Policy, associated guidelines and operational procedures are overseen by CAE's Privacy Officer, who reports to the Chief Legal and Compliance Officer, and Corporate Secretary.

Management approach

CAE's accelerated pursuit of innovative technology solutions drives our data protection and privacy agenda to ensure we continue to meet industry standards, leading practices and stakeholder expectations. CAE's Global Data Privacy Program aligns with these parameters and is mapped against the National Institute of Standards and Technology Privacy Framework.

The CAE Privacy Office, with the support of our Legal and Cybersecurity teams, continuously monitors changes to legal or regulatory regimes through our regulatory watch process to ensure that the Program is adapted accordingly. The Program also undergoes regular privacy audits conducted by CAE's Internal Audit team, with assistance from external consultants who specialize in this area. ▶



Global Data Privacy Policy

This Policy describes our core principles and processes for handling personal information. It applies to all our relations with stakeholders (employees, contingent workers, customers, suppliers, partners and others) and to all types of activities involving the collection, use, storage, disclosure and processing of personal information.

Privacy impact assessment and third-party risk assessments

CAE's privacy impact assessment (PIA) process formalizes the review of data protection and privacy risks. PIAs consist of questionnaires designed for teams developing new services, products or technologies to describe data collection, legal basis, usage, retention, sharing with third parties and identification of associated risks. We evaluate legal, regulatory and policy requirements, as well as risks related to data processing.

We adopt a "privacy and security by design" approach to assess new initiatives, ensuring that privacy and security considerations are embedded in our processes from the outset.

Our third-party risk management framework enables us to implement risk assessment procedures for third parties that process personal information on CAE's behalf. We ensure that such third parties have in place policies and procedures to comply with applicable data privacy laws and regulations as well as adequate technical and organizational measures to preserve the confidentiality, security and integrity of the personal information they handle.

Global data privacy training and awareness campaigns

To promote awareness of what constitutes "personal information" and why protecting data privacy is critical, all new CAE employees undergo data privacy training during onboarding. Active employees worldwide undergo Code of Business Conduct annual training, which includes a module on Confidentiality and Privacy.

We also leverage high-profile events like International Data Privacy Week to raise awareness, share best practices and connect employees with CAE resources.

Handling privacy and security breaches

We stress to employees that incidents involving personal information constitute a privacy breach. Depending on the severity of a breach, CAE may have privacy breach reporting obligations under law or under our contracts with customers. Employees are required to immediately report internally any suspected breach, security incident or questionable conduct involving personal information as per our incident response plan. Once a privacy breach has been reported, prompt action is taken to remedy the situation and implement measures to mitigate risks. ▶



Responsible development, deployment and use of AI

CAE acknowledges the unique compliance and ethical risks posed by emerging technologies and artificial intelligence (AI). These risks span privacy, data protection, bias perpetuation, social inequalities, system vulnerabilities and environmental impact. Given the risks involved, CAE adopted a Responsible Artificial Intelligence Policy, supplemented by detailed guidelines on the acceptable use of Generative AI. We also established a Data and AI Committee to oversee implementation of the Policy, and application of the guidelines and core principles contained therein.



Safety first

We ensure that our AI systems are safe and reliable before making them available to our employees, or customers. 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, especially when they can generate human-like content.



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, and accuracy. CAE will not use AI systems that allow individuals to be improperly identified, located, tracked, targeted, or monitored.



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, or gender identity) 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. We exercise diligence and care when AI outputs are intended to inform, influence, decide or otherwise impact the rights and freedom of an individual. ■



Policies

- > [Code of Business Conduct](#)
 - > Global Data Privacy Policy (*internal*)
- > Cybersecurity policies and standards (*internal*)
 - > Responsible Artificial Intelligence Policy (*internal*)
- > Guidelines on the Acceptable Use of Generative Artificial Intelligence (*internal*)

Our performance

Customer privacy breaches

In FY25, no substantiated complaints concerning breaches of customer privacy and losses of customer data were reported. For additional information, please refer to our [GRI indicators](#) and [SASB Index](#).

Global employee awareness and customized team training

Our trainings raise employee awareness worldwide on leading privacy practices and guidelines for compliant personal information management across CAE's privacy landscape. We also deliver targeted, role-specific training to various groups of employees to incorporate protocols for data privacy into their process from the onset.

In FY25

- › **97%** of CAE employees worldwide completed the FY25 training on CAE's Code of Business Conduct, which contains a module on Confidentiality and Privacy.

Data privacy roadmap

Associated SDGs



Key result	Target year	Status
<ul style="list-style-type: none"> › Maintain continued focus on customized CAE employee training on cybersecurity, privacy, data protection and AI › Maintain continued 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
<ul style="list-style-type: none"> › Set updated ethical principles for the responsible use of AI and data analytics and related policies 	FY25	Achieved



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 aerospace and defence industry. In alignment with our values and philosophy, 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.

Governance

CAE's Global Procurement and Supply Management (GPSM) group supervises conformity to our procurement policies and processes in conjunction with our Global Ethics and Compliance Office.

The group consists of multiple departments that oversee and manage our global supply chain activities, including contract negotiations; strategic sourcing; risk and compliance management; management of sustainability strategy and programs; and real estate optimization. These departments work together to ensure cohesive risk management, supplier performance and environmental efficiency.

Management approach

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 and follow the standards of the UN Guiding Principles for 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 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 and places a high priority on enhancing the resilience of both our suppliers and our global supply chain. We achieve this through active investment in strategies to strengthen our key suppliers' ability to withstand disruptions or challenges, covering all activities within the supply chain. ▶

CAE policies and supplier standards

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.

CAE's Sustainable Procurement Policy emphasizes the importance of integrating sustainability into our supply chain. This Policy outlines guiding principles to ensure that our sourcing teams understand the requirements to embed sustainability into the supply chain and align with CAE's sustainability strategy. It provides the framework for due diligence of sustainability risks within our supply chain, the risk management system that applies and aims to drive responsible management of business impacts.

To engage in business with CAE, suppliers undergo a comprehensive evaluation process, facilitated by our global procurement management platform. This digital tool incorporates a set of sustainability criteria into our request for proposal, requiring our suppliers to complete an initial survey to assess their suitability. The criteria guide supplier selection decisions and are assigned equal weighting to other selection parameters. To support this, we built a supplier scorecard generator to help evaluate the supplier's score on sustainability, social impact and governance.

Upon acceptance, suppliers must adhere to the ethical standards outlined in our Supplier and Business Partner Code of Conduct, which are embedded into our standard procurement contract terms and conditions. Suppliers must also comply with our Conflict Minerals Policy.

A specific sustainability annex to our contracts with suppliers explicitly defines our requirements and reinforces sustainable practices through our commercial relations.

Supplier risk management

CAE's supplier risk management framework 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 our procurement lifecycle, in search of potential violations or adverse media coverage.

We monitor ongoing risk exposure related to our supply chain through comprehensive supplier assessments that focus on the environment, ethics and sustainable procurement. Evaluations cover labour and human rights, employee health and safety, working conditions and career management, as well as child labour and forced labour.

When risks are identified, our Sustainable Supply Chain Committee leads the mitigation process, engaging GPSM leaders to assess the impact and implement an improvement plan adapted to each risk impact. For high-impact risks, our GPSM Decision Board devises a strategy and risk mitigation plan. If necessary, a supplier disengagement plan is developed and implemented, with all actions and communications documented.

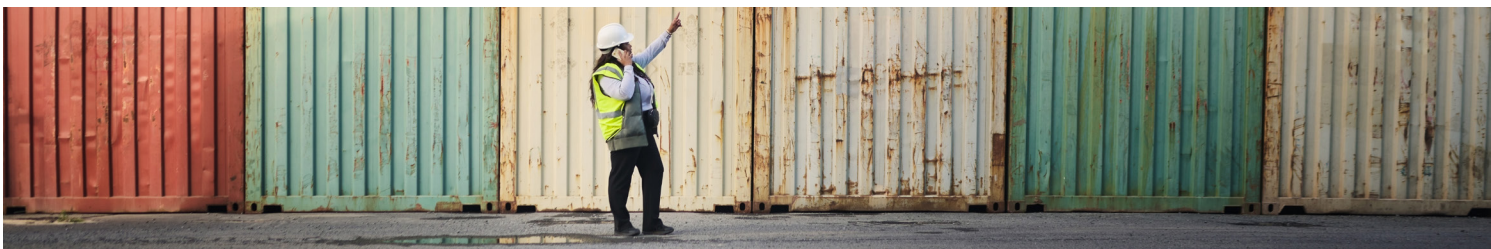
Training and stakeholder engagement

As a prime lead, we not only set supplier sustainability performance standards, we empower our partners to achieve them.

CAE promotes responsible supply chain practices by directly engaging our suppliers in various training opportunities that enhance sustainability awareness and knowledge exchange. These sessions (e.g. forums, webinars, workshops) focus on specific areas of improvement or respond to new regulations.

We also actively participate in diverse industry activities to foster collaboration and encourage responsible business practices across our supply chain.

Furthermore, sustainability ambassadors assigned to each procurement commodity receive continuous training on a range of environmental and social topics to foster an internal culture of sustainability. ▶



CAE Resilient Together

CAE Resilient Together, our Supply Chain Performance Management Program, is both a program for our business partners and a change management tool used with 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.

Our sustainability ambassadors communicate CAE’s sustainability initiatives internally and externally. They further integrate these principles in our operations and vendor management and assess supplier performance, engagement and maturity.

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 EMS and ISO 14001:2015 methodology, and are guided through the subsequent stages of their journey within the program.

An accompanying Supplier Recognition Program is also a key element of CAE Resilient Together. An award is given to suppliers who demonstrate exceptional operational performance, significant improvement and a strong commitment to sustainability. This recognition encourages continuous innovation and responsibility in supply chain management.

Through our responsible supply chain management practices, CAE actively engages with our suppliers to reduce their environmental impact and support decarbonization efforts. Our decarbonization strategy is further detailed in the Environment subsection on [Climate change mitigation - Decarbonization](#). ■

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 Policy \(internal\)](#)

Our performance

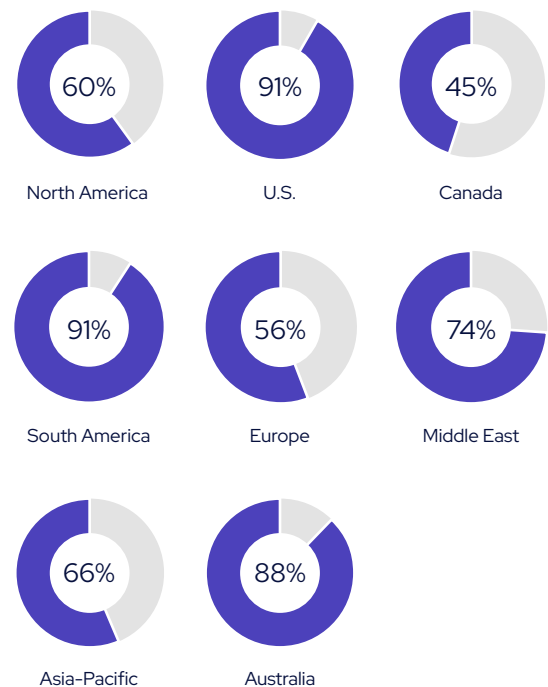
Local sourcing

At CAE, we define a local supplier as any organization or individual that provides products or services within the same geographic country as our operations. This means that no transnational payments are involved.

Our definition of "local" encompasses both the immediate community surrounding our operations and the entire country, thus reducing CAE’s Scope 3 global greenhouse gas (GHG) emissions related to transportation of goods and services.

Local sourcing is a primary criterion in CAE’s supplier selection. When possible, we dual source to enhance the resiliency of our supply network. We also encourage our suppliers to select commodities and partners with the lowest environmental impact. ▶

Proportion of spending on local suppliers in FY25



1 Includes Canada, U.S. and Mexico.

Progress on CAE supplier assessment

Our supplier assessments are crucial for managing risks and improving the sustainability performance of our supply chain. This year, we extended the scope of EcoVadis screening to also include indirect suppliers. For more information about CAE’s screening of new suppliers, please refer to [GRI 308: Supplier environmental assessment 2016](#) and [GRI 414: Supplier social assessment 2016](#).

CAE awarded EcoVadis bronze certification

CAE has been awarded a bronze medal from EcoVadis for the second consecutive year. This certification underscores our dedication to environmental, social and ethical standards in our business practices.

EcoVadis, one of the leading business sustainability rating providers, evaluates companies’ processes and maturity across four key pillars: environment, labour and human rights, ethics and sustainable procurement.

CAE Crystal Excellence Award recognizes top-performing suppliers

The CAE Crystal Award of Excellence, now in its second edition, represents the strong, interdependent relationships within our ecosystem of suppliers, customers and CAE employees.

In 2024, we recognized four suppliers for their exceptional performance in operational excellence and sustainability, and for their commitment to fostering strong collaborative relationships. Congratulations to CAE Crystal Award of Excellence winners Métal Bernard (a division of Groupe Mondial), Estampro, CGI and FedEx.

Launch of Éco-Envol

CAE, in collaboration with Airbus Canada and Airbus Atlantique Canada, announced the launch of the Éco-Envol project. This initiative is part of our commitment to explore innovative and sustainable solutions in aerospace manufacturing processes. The project focuses on developing environmentally sustainable alternatives compliant with REACH² and CBAM³ requirements, which are crucial for maintaining access to the European market.

Launch of Décarbône+

In April 2024, CAE, Hydro-Québec, Énergir and Desjardins launched Décarbône+. The nonprofit organization, which has since become a key component of CAE Resilient Together, highlights our dedication to enhancing the capabilities of our strategic suppliers in Quebec and promoting a collaborative approach to sustainability. (Also featured in [Climate change mitigation - Decarbonization.](#)) ▶

In FY25

- › **90%** of strategic direct suppliers¹, representing **98 %** of CAE’s strategic direct spend, were scored or in the process of being scored through our third-party risk monitoring tool, EcoVadis.
- › **100%** of CAE’s GPSM team members underwent internal training focused specifically on supplier evaluations and tracking suppliers’ progress through our Resilient Together program.

¹ Strategic direct suppliers play an integral role in CAE’s operations for the product. Strategic direct 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.

² Registration, Evaluation, Authorisation, and Restriction of Chemicals

³ Carbon Border Adjustment Mechanism

CAE's Role in IAEG: Advancing aerospace sustainability

CAE plays an active role as a Board Director and as an active member of the International Aerospace Environmental Group (IAEG), a renowned global organization dedicated to addressing environmental regulatory and sustainability challenges within the aerospace and defence industry. Within IAEG, we foster collaboration by participating in various workgroups focused on critical topics such as aerospace industry sustainability engagement, GHG management and reporting, and other key areas impacting both the value and supply chain.

Building an inclusive supply chain

CAE proudly participated in the Réseau de Femmes des Affaires du Québec 2024 edition of "Cap vers la réussite." The conference featured a series of roundtables with women-owned suppliers, during which we received over 40 pitches. Several participants registered with us as potential women-owned suppliers. This effort underscores our commitment to expanding our visibility on new performing suppliers and fostering a more inclusive supply chain. ■

Responsible supply chain management roadmap

Associated SDGs



Key result	Target year	Status
<ul style="list-style-type: none"> > Establish protocols to prevent and mitigate direct human rights risks > Train 100% of GPSM departments on sustainability matters for further integration of these critical aspects in procurement processes and decision-making > Embed sustainability criteria in supplier performance evaluation and agreements 	FY25	■ Achieved
<ul style="list-style-type: none"> > Complete GHG reduction program with direct strategic suppliers 	FY26	■ On track
<ul style="list-style-type: none"> > Complete GHG reduction program with all strategic suppliers 	FY28	■ On track

Appendix



Site certifications

ISO 9001:2015 – Quality management systems – Requirements

CAE Montreal

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, 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 logistic support.

CAE Canada Region – Ottawa

350 Legget Drive, 2nd Floor, 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 CC12C8,
450 Mattawa Trail, 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 Dr, 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 Avenue, 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, Manufacturing and Modification of Simulation and Training Systems for Military Applications.

CAE USA – Arlington, Texas

2200 Arlington Downs Road Arlington, 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, manufacture and modification of defence and commercial products.

CAE USA – Tulsa, Oklahoma

12518-D E. 60th St., Tulsa, Oklahoma, U.S. 74146

Scope – Manufacture and modification of defence and commercial products.

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 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 maintenance support with regard to simulation training devices.

RAAF Base C-27J Training Facility Building 1403 Anson Drive,
Amberley QLD 4306, 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 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

CAE Services GmbH, 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 UK Plc

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

CAE Engineering Kft., Kelenhegyi ut 43. H-1118 Budapest, Hungary

Scope – Software Development.

CAE South America Flight Training do Brasil Ltda.

Avenida Orlando Bergamo, No. 490 – CEP 07232-151, Guarulhos-SP, Brasil

Scope – Rental of flight simulation rooms and equipment. Development, sale and application of training for aviation professionals.

AS9100D – Quality management systems – Requirements for aviation, space and defence organizations

CAE Montreal

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 program management of the Magnetic Anomaly Detection (MAD)/AIMS equipment.

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 and servicing 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 servicing 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, manufacture modification and installation of defence and commercial products.

CAE USA – Tulsa, Oklahoma

12518-D E. 60th St. Tulsa, Oklahoma, U.S. 74146

Scope – Manufacture and modification of defence and commercial products.

ISO 14001:2015 – Environmental management systems – Requirements with guidance for use

CAE Canada Region – Bushell Park, Saskatchewan

15 Wing Moose Jaw, 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.

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, 2nd floor, 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 – Station Main, Lazo

19 Wing Comox, Station Main, Lazo, British Columbia, Canada VOR 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 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 Avenue, 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

Moose Jaw CAE Inc., 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.

SWWC HMAS Albatross Braidwood Road, Nowra 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 maintenance support with regard to simulation training devices.*

Army Aviation Training Centre Army Airfield, Oakey QLD 4401, 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 Sale Training Centre Lot 16 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 C-27J Training Facility Building 1403 Anson Drive, Amberley QLD 4306, Australia

Scope – *The provision 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 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 UK Plc

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 Air 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.*

CAE South America Flight Training do Brasil Ltda.

Avenida Orlando Bergamo, No. 490 – CEP 07232-151, Guarulhos-SP, Brasil

Scope – *Rental of flight simulation rooms and equipment. Development, sale and application of training for aviation professionals.*

ISO 45001:2018 – Occupational health and safety management systems – Requirements with guidance for use

CAE Canada Region – Bushell Park, Saskatchewan

15 Wing Moose Jaw, P.O. Box 30, Bushell Park, Saskatchewan, Canada SOH ONO

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, 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.

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, 2nd floor, 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 – 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 Avenue, 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

Moose Jaw CAE Inc., 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.

SWWC HMAS Albatross Braidwood Road, Nowra 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 maintenance support with regard to simulation training devices.

CAE Sale Training Centre Lot 16 Wellington Park Way, Sale VIC 3850, Australia

Scope – The provision of maintenance support with regard to simulation training devices.

79 SQN Simulator, Building AO989, 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 C-27J Training Facility Building 1403 Anson Drive, Amberley QLD 4306, Australia

Scope – The provision 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 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 South America Flight Training do Brasil Ltda.

Avenida Orlando Bergamo, No. 490 – CEP 07232-151, Guarulhos-SP, Brasil

Scope – Rental of flight simulation rooms and equipment. Development, sale and application of training for aviation professionals.

CAN/CIOSC 104:2021 – Cyber Security Canada

CAE Montreal

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–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.

Global Reporting Initiative (GRI) indicators

Due to the completion of the sale of our Healthcare business on February 16, 2024, all data pertaining to the Healthcare division has been excluded from FY24 data. FY23 data has not been restated except for specific data points that are subject to footnotes.

GRI standards	FY25	FY24	FY23
GRI 2: General disclosures			
1. The organization and its reporting practices			
2-1	Organizational details		
Legal name of the organization	Page 1	FY24 Global Annual Activity and Sustainability report, page 1	FY23 Global Annual Activity and Sustainability report, page 1
Nature of ownership and legal form	FY25 MD&A	FY24 MD&A, page 68	FY23 MD&A, page 113
Location of operation(s)	Page 7	FY24 Global Annual Activity and Sustainability report, page 11	FY23 Global Annual Activity and Sustainability report, page 14
Location of headquarter(s)	Page 7	FY24 Global Annual Activity and Sustainability report, page 11	FY23 Global Annual Activity and Sustainability report, page 14
2-2	Entities included in the organization's sustainability reporting		
Entities included in the organization's sustainability reporting	Partial list available in FY25 Annual Information Form	FY24 Annual Information Form	FY23 Annual Information Form
Entities included in the consolidated financial statements	Partial list available in FY25 Annual Information Form	FY24 Annual Information Form	FY23 Annual Information Form
2-3	Reporting scope and boundaries		
Reporting period - Start Date	Refer to About this report	FY24 Global Annual Activity and Sustainability report, page 2	FY23 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		
Report restatements of information made from previous reporting periods and explain: i. the reasons for the restatements; ii. the effect of the restatements	GRI 416 (CUS 001 and CUS 002) GRI 2-7 Employees, by employment type, by gender RT-AE-510a.2 Revenue from countries ranked in the "E" or "F" Band of Transparency International's Government defence Anti-Corruption Index	GRI 305 Emissions GRI 308-2 Negative environmental impacts in the supply chain and actions taken GRI 303-3 Water withdrawal	Refer to the footnotes in our FY23 GRI for restated information
2-5	External assurance		
Description of the organization's current practice with regard to seeking external assurance for the report	Refer to Sustainability program	FY24 Global Annual Activity and Sustainability report, page 30	FY23 Global Annual Activity and Sustainability report, page 73

GRI standards	FY25	FY24	FY23
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GRI 2: General disclosures

2. Activities and workers

2-6 Activities, value chain and other business relationships

Report the sector(s) in which it is active	FY25 MD&A	FY24 Global Annual Activity and Sustainability report, page 10	FY23 Global Annual Activity and Sustainability report, page 2
Description of the value chain	Refer to: Civil Aviation and Defense & Security	FY24 Global Annual Activity and Sustainability report, page 10	FY23 Global Annual Activity and Sustainability report, page 17

2-7 Total number of employees

Total number of employees ¹	12,289 ²	12,811 ³	13,217 ⁴
Total number of employees in our joint ventures	870	830	724
Women	2,834 / 23.06%	3,028 / 23.64%	3,085 / 23.34%
Men	9,448 / 76.88%	9,778 / 76.33%	10,130 / 76.64%

2-7 Employees, by region

North America ⁵	9,017	CAE started reporting on this category in FY25. No data available for previous fiscal years.	
Quebec	4,019	4,113	4,011
Rest of Canada	730	744	765
U.S.	4,250	4,285	4,946
South America	212	235	194
Europe, Middle-East, Africa (EMEA)	2,124	2,489	2,404
Asia-Pacific (APAC)	936	945	897

2-7 Employees, by employment type, by region

North America	Full-time	8,863	CAE started reporting on this category in FY25. No data available for previous fiscal years.	
	Part-time	154		
Quebec	Full-time	3,966	4,060	3,963
	Part-time	53	53	48
Rest of Canada	Full-time	721	734	756
	Part-time	9	10	9

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 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.

3 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.

4 In FY23, 2 employees did not identify as women or men. They are included in this indicator.

5 A new category, North America, was introduced in FY25.

GRI standards	FY25	FY24	FY23
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GRI 2: General disclosures

2. Activities and workers

2-7 Employees, by employment type, by region

		FY25	FY24	FY23
U.S.	Full-time	4,158	4,210	4,855
	Part-time	92	75	91
South America	Full-time	204	228	194
	Part-time	8	7	0
Europe, Middle-East, Africa (EMEA)	Full-time	1,972	2,338	2,251
	Part-time	152	151	153
Asia-Pacific (APAC)	Full-time	920	927	887
	Part-time	16	18	10

2-7 Employees, by employment type, by gender¹

		FY25	FY24	FY23
Women	Full-time	2,727 / 22.8% ²	2,919 / 23.4%	2,967 / 23.0%
	Part-time	107 / 32.5%	109 / 34.7% ³	118 / 37.9%
Men	Full-time	9,226 / 77.2%	9,573 / 76.6%	9,937 / 77.0%
	Part-time	222 / 67.5%	205 / 65.3%	193 / 62.1%

2-7 Employees, by gender, by region

		FY25	FY24	FY23
North America	Women	2,056 ⁴ / 22.8%	CAE started reporting on this category in FY25. No data available for previous fiscal years.	
	Men	6,956 / 77.1%		
	Total	9,017 / 73.4%		
Quebec	Women	1,036 / 25.8%	1,045 / 25.4%	994 / 24.8%
	Men	2,980 / 74.2%	3,066 / 75.5%	3,016 / 75.2%
	Total	4,019 / 44.6%	4,113 / 32.1%	4,011 / 30.4%
Rest of Canada	Women	156 / 21.4%	162 / 21.8%	169 / 22.1%
	Men	574 / 78.6%	582 / 78.2%	596 / 77.9%
	Total	730 / 8.1%	744 / 5.8%	765 / 5.8%
U.S.	Women	856 / 20.1%	885 / 20.7%	1,043 / 21.1%
	Men	3,392 / 79.8%	3,398 / 79.3%	3,903 / 78.9%
	Total	4,250 / 47.1%	4,285 / 33.5%	4,946 / 37.4%
South America	Women	60 / 28.3%	62 / 26.4%	42 / 21.7%
	Men	152 / 71.7%	173 / 73.6%	152 / 78.4%
	Total	212 / 1.7%	235 / 1.8%	194 / 1.5%
Europe, Middle East, Africa (EMEA)	Women	484 / 22.8%	641 / 25.8%	625 / 26.0%
	Men	1,639 / 77.2%	1,848 / 74.3%	1,779 / 74.0%
	Total	2,124 / 17.3%	2,489 / 19.4%	2,404 / 18.2%

¹ The percentages represent the proportion of employees by employment type as a percentage of the total number of employees within each employment category. Employees of unknown gender are excluded in this indicator.

² In FY25, six employees of unknown gender are full-time, representing 0.05% of CAE employees and one is part-time, representing 0.30% of CAE employees.

³ In FY24, data for part-time women was inadvertently reversed with that of full-time men. This error was corrected in the FY25 report.

⁴ In FY25, employees of unknown gender are located in the U.S., Quebec and EMEA.

GRI standards	FY25	FY24	FY23
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GRI 2: General disclosures

2. Activities and workers

2-7 Employees, by gender, by region

Region	Gender	FY25	FY24	FY23
Asia-Pacific (APAC)	Women	234 / 25.0%	233 / 24.7%	212 / 23.7%
	Men	701 / 74.9%	711 / 75.2%	684 / 76.3%
	Total	936 / 7.6%	945 / 7.4%	897 / 6.8%

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	FY25	FY24	FY23
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 three categories: those from an external firm, outsourced services, or independent consultants.	At CAE, workers who are not employees are defined as contingent workers who are not on a CAE payroll.	

3. Governance

2-9 Governance structure and composition

Item	FY25	FY24	FY23
Governance structure	Refer to Sustainability governance	FY24 Global Annual Activity and Sustainability report , page 38	FY23 Global Annual Activity and Sustainability report , page 71
Influence/power of the Board Committees on ESG issues	Refer to Sustainability governance	FY24 Global Annual Activity and Sustainability report , page 38	FY23 Global Annual Activity and Sustainability report , page 177
Total number of board members	13	13	13
Average tenure of board members in years	1.9	4.2	5.0
Independent non-executive Board members	12 / 92%	12 / 92%	12 / 92%
Other significant positions and commitments held by each member, and the nature of the commitments	FY25 Management Proxy Circular	FY24 Management Proxy Circular	FY23 Management Proxy Circular
Executive Board members	1 / 8%	1 / 8%	1 / 8%
Independent or non-executive members with industry experience	4	7	8
List of independent or non-executive Directors with industry experience	FY25 Management Proxy Circular	FY24 Management Proxy Circular	FY23 Management Proxy Circular
Independent members - Governance Committee	3 / 100%	7 / 100%	7 / 100%
Independent members - Audit Committee	5 / 100%	8 / 100%	6 / 100%
Independent members - Human Resources Committee	5 / 100%	7 / 100%	7 / 100%
Women Board members	5 / 38%	5 / 38%	4 / 31%
Men Board members	8 / 62%	8 / 62%	9 / 69%
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%

GRI standards	FY25	FY24	FY23
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	FY25 Management Proxy Circular	FY24 Management Proxy Circular	FY23 Management Proxy Circular
Criteria used for nominating and selecting highest governance body members	FY25 Management Proxy Circular	FY24 Management Proxy Circular	FY23 Management Proxy Circular
2-11	Chair of the highest governance body		
Chair of the highest governance body	Board of Directors	Board of Directors	FY23 Management Proxy Circular
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	FY24 Global Annual Activity and Sustainability report, page 31	FY23 Global Annual Activity and Sustainability report, page 74
Executive-level responsibility for economic, environmental and social impacts	Refer to Sustainability governance	FY24 Global Annual Activity and Sustainability report, page 38	FY23 Global Annual Activity and Sustainability report, page 71
Delegating authority	Refer to Sustainability governance	FY24 Global Annual Activity and Sustainability report, page 38	FY23 Global Annual Activity and Sustainability report, page 71
2-14	Role of the highest governance body in sustainability reporting		
Highest governance body's role in sustainability reporting	Refer to Sustainability governance	FY24 Global Annual Activity and Sustainability report, page 38	FY23 Global Annual Activity and Sustainability report, page 197
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	FY24 Global Annual Activity and Sustainability report, page 128	FY23 Global Annual Activity and Sustainability report, page 180
Description of employee procedures in case of doubt and/or in situations that may represent a conflict of interest	Refer to Business ethics	FY24 Global Annual Activity and Sustainability report, page 128	FY23 Global Annual Activity and Sustainability report, page 180
2-16	Communication of critical concerns		
Description of whether and how critical concerns are communicated to the highest governance body	Refer to Business ethics	FY24 Global Annual Activity and Sustainability report, page 128	FY23 Global Annual Activity and Sustainability report
Nature of critical concerns that were communicated to the highest governance body during the reporting period	Refer to Business ethics	FY24 Global Annual Activity and Sustainability report, page 128	FY23 Global Annual Activity and Sustainability report, page 180
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	FY25 Management Proxy Circular	FY24 Management Proxy Circular	FY23 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	FY25 Management Proxy Circular	FY24 Management Proxy Circular	FY23 Management Proxy Circular

GRI standards		FY25	FY24	FY23
GRI 2: General disclosures				
3. Governance				
2-19	Remuneration policies			
	Remuneration policies for members of the highest governance body and senior executives	FY25 Management Proxy Circular	FY24 Management Proxy Circular	FY23 Management Proxy Circular
2-20	Process to determine remuneration			
	Process for designing remuneration policies and for determining remuneration	FY25 Management Proxy Circular	FY24 Management Proxy Circular	FY23 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 (excluding the highest-paid individual)	63.9 ¹	51.24 ²	42.78
	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 employees (excluding the highest-paid individual)	0.13 ³	0.88 ⁴	0.96
4. Strategy, policies and practices				
2-22	Statement on sustainable development strategy			
	Statement on sustainable development strategy	Refer to Sustainability program	FY24 Global Annual Activity and Sustainability report , page 26	FY23 Global Annual Activity and Sustainability report , page 73
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	FY24 Global Annual Activity and Sustainability report , pages 100 and 128. Refer to the management approach related to each material topic in this report.	FY23 Global Annual Activity and Sustainability report , page 84
2-24	Embedding policy commitments			
	Embedding policy commitments	Refer to Human rights and Business ethics	FY24 Global Annual Activity and Sustainability report , page 100 and page 128	FY23 Global Annual Activity and Sustainability report , page 147 and page 180
2-25	Processes to remediate negative impacts			
	Mechanisms for identifying and addressing grievances, reports and concerns	Refer to Stakeholder engagement and Business ethics	FY24 Global Annual Activity and Sustainability report , page 31 and page 128	FY23 Global Annual Activity and Sustainability report , page 74 and page 180
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	FY24 Global Annual Activity and Sustainability report , page 128	FY23 Global Annual Activity and Sustainability report , page 180
2-27	Compliance with laws and regulations			
	Total number of instances of non-compliance	0	1 ⁵	0
	Monetary value of fines for instances of non-compliance with laws and regulations	0	15,625.00 CAD	No significant fine

1 Data reported is based on our seven most significant countries of operations: Canada, U.S., U.K., Germany, Australia, India and Poland. Our calculation methodology was modified in FY25 to align with other metrics. Current methodology divides the highest paid individual annual total compensation by the weighted median annual total compensation for the rest of the population in the 7 countries above mentioned.

2 Data reported is based on our seven most significant countries of operations: Canada, U.S., U.K., Germany, Australia, India and UAE.

3 Highest paid individual increase was significantly lower than the rest of the population and lower than in previous years.

4 The variance between FY23 and FY24 is primarily attributable to the increase in compensation for the highest-paid individual, which has surpassed the overall population's salary increase.

5 On January 8, 2024, CAE USA Inc. received a fine of \$15,625 for violations of the Occupational Safety and Health Act of 1970.

GRI standards	FY25	FY24	FY23
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GRI 2: General disclosures

4. Strategy, policies and practices

2-28	Membership associations			
	Significant roles in industry, membership and advocacy organizations	Refer to Stakeholder engagement	FY24 Global Annual Activity and Sustainability report , page 37	CAE started reporting on GRI 2-28 in FY24. No data available for previous fiscal years.

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	FY24 Global Annual Activity and Sustainability report , page 31	FY23 Global Annual Activity and Sustainability report , page 74

2-30	Collective bargaining agreements			
	Percentage of total employees covered by collective bargaining agreements	19.0%	18.0%	15.9%

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	FY24 Global Annual Activity and Sustainability report , page 26	CAE started reporting on GRI 3 in FY24. No data available for previous fiscal years.
	Stakeholders and experts whose views have informed the process of determining its material topics	Refer to Sustainability program	FY24 Global Annual Activity and Sustainability report , page 26	CAE started reporting on GRI 3 in FY24. No data available for previous fiscal years.

3-2	List of material topics			
	List of all the material topics	Refer to Materiality matrix and Material topics	FY24 Global Annual Activity and Sustainability report , pages 27-28	CAE started reporting on GRI 3 in FY24. No data available for previous fiscal years.
	Report changes to the list of material topics compared to the previous reporting period	Refer to Materiality matrix and Material topics	FY24 Global Annual Activity and Sustainability report , pages 27-28	CAE started reporting on GRI 3 in FY24. No data available for previous fiscal years.

Topic-specific disclosures

GRI 201: Economic Performance 2016

201-MT	Topic management disclosures			
	Topic management disclosures	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	FY23 MD&A and Consolidated Financial Statements , pages 60-116 FY23 Management Proxy Circular

201-1	Direct economic value generated and distributed			
	Revenues (\$M)	4,707.9	4,282.8	4,010.6 ¹
	Operating costs (\$M)	(2,343.4)	(2,182.50)	(2,074.4) ¹
	Employee wages and benefits (\$M)	(1,855.1)	(1,775.9)	(1,612.4) ¹
	Community investments (\$M)	2.7	6.0	5.9 ¹
	Payments to providers of capital (\$M)	(201.7)	(189.7)	(174.7) ¹
	Payments to government (\$M)	(101.4)	(69.7)	(34.7) ¹

¹ Certain FY23 comparative amounts have been reclassified as a result of our Healthcare segment being presented as discontinued operations in our MD&A and Consolidated Financial Statements.

GRI standards	FY25	FY24	FY23
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Topic-specific disclosures

GRI 201: Economic Performance 2016

201-1 Direct economic value generated and distributed

Equity pick-up (\$M)	88.3	72.2	53.2 ¹
Other gains (\$M)	13.3	(27.9)	22.4 ¹
Gains on remeasurements and impairments of non-financial assets (\$M)	(2.9)	29.6 ²	(4.8) ¹
Economic value distributed (\$M)	(4,402.9)	(4,143.9)	(3,825.4) ¹
Economic value retained (\$M)	305.0	138.9	185.2 ¹

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	FY25 MD&A , page 47 Refer to Climate change adaptation	FY24 MD&A , page 45 TCFD	FY23 MD&A , page 54
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201-3 Defined benefit plan obligations and other retirement plans

Estimated value of the plan's liabilities (\$M)	122.5 ³	33.0 ⁴	40.8
Percentage of salary contributed by employee	3%	3%	4%
Percentage of salary contributed by employer	6%	7%	9%
Level of participation in retirement plans	85%	84%	84% ⁵

201-4 Financial assistance received from government

Funding received from government (\$M)	55.7	48.3	45.7
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GRI 202: Market Presence 2016

202-MT Topic management disclosures

Topic management disclosures	Refer to Talent management	FY24 Global Annual Activity and Sustainability report , pages 67-77 and pages 89-99	FY23 Global Annual Activity and Sustainability report , page 135
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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	3.15	2.98	3
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 community⁶

Canada	98%	99%	99%
U.S.	92%	91%	94%
Other	77%	75%	83%
Overall	92%	92%	94%

1 Certain FY23 comparative amounts have been reclassified as a result of our Healthcare segment being presented as discontinued operations in our MD&A and Consolidated Financial Statements.

2 Certain impairments and other gains and losses are excluded to provide an enhanced understanding of our operating performance. For FY24, this includes: impairment of goodwill, impairment of technology and other financial assets, and restructuring, integration and acquisition costs.

3 Variance between FY24 and FY25 mainly explained by the change in experience and economic assumptions

4 Variance between FY23 and FY24 due to favorable returns on pension plan assets.

5 Covers employee participation in Canada and the U.S.

6 Senior management includes the following categories: Director, Vice President, Executive Vice President, Division President, Chief Executive Officer. 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.

GRI standards		FY25	FY24	FY23	
Topic-specific disclosures					
GRI 203: Indirect Economic Impacts 2016					
203-MT	Topic management disclosures				
	Topic management disclosures	Refer to Education and community engagement	FY24 Global Annual Activity and Sustainability report , pages 114-123	FY23 Global Annual Activity and Sustainability report , page 168	
GRI 204: Procurement Practices 2016					
204-MT	Topic management disclosures				
	Topic management disclosures	Refer to Responsible supply chain management	FY24 Global Annual Activity and Sustainability report , pages 142-146	FY23 Global Annual Activity and Sustainability report , page 197	
204-1	Proportion of spending on local suppliers				
	Percentage of the procurement budget spent on local suppliers	North America	60%	67%	71%
		U.S.	91%	85%	Data not available for FY23
		Canada	45%	50%	Data not available for FY23
		South America	91%	43%	88%
		Europe	56%	65%	71%
		Asia	66%	68%	75%
		Australia	88%	84%	89%
		Middle East	74%	79%	86%
GRI 205: Anti-corruption 2016					
205-MT	Topic management disclosures				
	Topic management disclosures	Refer to Business ethics	FY24 Global Annual Activity and Sustainability report , pages 128-132	FY23 Global Annual Activity and Sustainability report , page 80	
205-1	Operations assessed for risks related to corruption				
	Total number of operations assessed for risks related to corruption	3	3	4	
	Significant risks related to corruption identified through the risk assessment	Refer to FY25 MD&A Business Risk and Uncertainty	Refer to FY24 MD&A Business Risk and Uncertainty	CAE conducts business has a presence in 250 sites and training locations in over 40 countries. Due to the global nature of our operations, CAE is expose to bribery and corruption risks, including the risk of bribing foreign officials.	
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	12,289	12,811	13,217	
	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	FY24 Global Annual Activity and Sustainability report , pages 128-132	FY23 Global Annual Activity and Sustainability report , page 180	

GRI standards	FY25	FY24	FY23
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Topic-specific disclosures

GRI 206: Anti-competitive Behavior 2016

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

GRI 207: Tax 2019

207-4	Country-by-country reporting			
	Corporate income tax paid on a cash basis (\$M)	101.4 ¹	69.7 ²	34.7

GRI 301: Materials 2016

301-MT	Topic management disclosures			
	Topic management disclosures	Refer to Climate change mitigation - decarbonization and Responsible resource use	FY24 Global Annual Activity and Sustainability report , pages 53-56 and pages 61-63	FY23 Global Annual Activity and Sustainability report , page 88 and page 105

GRI 302: Energy 2016

302-MT	Topic management disclosures			
	Topic management disclosures	Refer to Energy	FY24 Global Annual Activity and Sustainability report , pages 51-52	FY23 Global Annual Activity and Sustainability report , page 88 and page 94

302-1	Energy consumption within the organization			
	Total fuel consumption (MWh)	68,119.0	76,284.0	79,177.9
	Aviation fuel consumption (MWh)	47,038.0	54,371.7	58,307.5
	Renewable aviation fuel consumption (MWh)	0	0	0
	Non-renewable aviation fuel consumption (MWh)	47,038.0	54,371.7	58,307.5
	Total natural gas consumption (MWh)	17,212.0	16,817.3	15,856.0
	Renewable natural gas consumption (MWh)	0	0	0
	Non-renewable natural gas consumption (MWh)	17,212.0	16,817.3	15,856.0
	Total diesel, heating oil, propane consumption (MWh)	3,869.0	5,095.0	5,014.4
	Renewable diesel, heating oil, propane consumption (MWh)	0	0	0
	Non-renewable diesel, heating oil, propane consumption (MWh)	3,869.0	5,095.0	5,014.4
	Total purchased or acquired heat consumption (MWh)	2,342.0	2,131.0	2,140.2
	Renewable purchased or acquired heat consumption (MWh)	0	575.6	520.4
	Non-renewable purchased or acquired heat consumption (MWh)	2,342.0	1,555.3	1,619.9
	Total purchased or acquired cooling consumption (MWh)	8,832.0	8,135.1	7,752.9
	Renewable purchased or acquired cooling consumption (MWh)	0	0	0
	Non-renewable purchased or acquired cooling consumption (MWh)	8,832.0	8,135.1	7,752.9
	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	16.1 ³	194.5

1 The increase in FY25 is mainly due to higher tax expense on increased profitability, amounts paid related to current year installments and the final payments of the prior year taxes.

2 The increase in FY24 is mainly due to higher prior year tax expense and amounts paid related to current year installments.

3 Variance between FY23 and FY24 is due to change of operational control over one site and contractual changes with the landlord.

GRI standards	FY25	FY24	FY23
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Topic-specific disclosures

GRI 302: Energy 2016

302-1	Energy consumption within the organization			
	Total electricity consumption (MWh)	225,669.0	204,643.0	201,330.3
	Renewable electricity consumption (MWh)	188,623.0 ¹	200,768.5	197,324.1
	Non-renewable electricity consumption (MWh)	37,046.0	3,874.5	4,006.2
	Grid electricity consumption (MWh)	225,669.0	204,627.0	201,135.7
	Percentage grid electricity consumption	74.0%	70.3%	69.3%
	Total energy consumption related to own operations (MWh)	304,961.6	291,193.1	290,401.2
	Total amount of energy consumed from renewable energy (MWh)	188,623.0	201,344.1	197,844.4
	Percentage of energy consumed from renewable energy	61.9% ¹	69.1%	68.1%

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 its reporting to cover energy consumption outside of its 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) ²	64.78	68.00	69.10

302-4	Reduction of energy consumption			
	Reduction of energy consumption	Refer to Energy and Climate change mitigation - decarbonization	FY24 Global Annual Activity and Sustainability report , pages 51-52 and pages 53-56	FY23 Global Annual Activity and Sustainability report , page 84 and page 94

302-5	Reductions in energy requirements of products and services			
	Reductions in energy requirements of products and services	Refer to Climate change mitigation - decarbonization	FY24 Global Annual Activity and Sustainability report , pages 53-56	FY23 Global Annual Activity and Sustainability report , page 88

GRI 303: Water and Effluents 2018

303-MT	Topic management disclosures			
	Topic management disclosures	Refer to Responsible resource use	FY24 Global Annual Activity and Sustainability report , page 61	FY23 Global Annual Activity and Sustainability report , page 105

303-1	Interactions with water as a shared resource			
	Interactions with water as a shared resource	Refer to Responsible resource use	FY24 Global Annual Activity and Sustainability report , page 61	FY23 Global Annual Activity and Sustainability report , page 105

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.		

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

2 Energy intensity includes: Natural gas (MWh), Diesel, heating oil, propane, fuel for aircraft and cars, hot and chilled water and district heating (MWh), and Grid electricity (MWh).

GRI standards	FY25	FY24	FY23
Topic-specific disclosures			
GRI 303: Water and Effluents 2018			
303-3	Water withdrawal		
Total water withdrawn (m ³)	425,849 ¹	361,243	321,910 ²
GRI 304: Biodiversity 2016			
304-MT	Topic management disclosures		
Topic management disclosures	CAE no longer discloses information on biodiversity as part of its sustainability reporting.	FY24 Global Annual Activity and Sustainability report , pages 64-66	FY23 Global Annual Activity and Sustainability report , page 107
GRI 305: Emissions 2016			
305-1	Direct (Scope 1) GHG emissions		
Gross global Scope 1 emissions (t CO ₂ e)	17,804	20,900	22,115 ³
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 sourced from AR4. Scope 1 emission factors sourced from: - EPA Emission Factors for Greenhouse Gas Inventories - UK Government GHG Conversion Factors for Company Reporting	GWP values sourced from AR4. Scope 1 emission factors sourced from: - EPA Emission Factors for Greenhouse Gas Inventories, 2023 - UK Government GHG Conversion Factors for Company Reporting, Version 2.0. June 2023	AR4
Consolidation approach for emissions	Operational control	Operational control	Operational control
Standards, methodologies, assumptions, and/or calculation tools used	GHG Protocol Corporate Standard	GHG Protocol	GHG Protocol
305-2	Energy indirect (Scope 2) GHG emissions		
Indirect GHG Emissions (Scope 2 location-based) (t CO ₂ e)	65,906 ⁴	57,256	57,114
Indirect GHG Emissions (Scope 2 market-based) (t CO ₂ e)	4,187	3,882	4,254
Gases included in the calculation	CO ₂ , CH ₄ , N ₂ O, HFCs	CO ₂ , CH ₄ , N ₂ O	CO ₂ , CH ₄ , N ₂ O

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 In FY23, water consumption data was reported under GRI 303-5 instead of the correct GRI 303-3. Also, please note that in FY23, we inadvertently reported volume in Mega cubic metres (M m³). The correct unit should have been cubic metres (m³).

3 Increase in FY23 Scope 1 emissions driven by improvements to emissions data capture process for refrigerants usage across CAE sites.

4 Variance year over year primarily due to the 10% growth of CAE activities, the consolidation of SIMCOM and the ramping up of newly opened facilities.

GRI standards	FY25	FY24	FY23
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Topic-specific disclosures

GRI 305: Emissions 2016

305-2	Energy indirect (Scope 2) GHG emissions		
Source of the emission factors and the global warming potential (GWP) rates used, or a reference to the GWP source	- GWP values sourced from AR4. - Scope 2 emission factors sources: - U.S: eGRID Subregion Emission Factors - Australia National Greenhouse Gas Accounts (NGA) Factors - Brazil: Brazilian Ministry of Science, Technology, Innovation and Communication. Fator médio-Inventários corporativos: Arquivos dos fatores médios de emissão de CO ₂ grid mês/ano. - European residual mix factors: AIB - Canada: National Inventory Report, Part 3, Annex 13 - India: CO ₂ factors from India Central Electricity Authority: Baseline Carbon Dioxide Emission Database - UK: Greenhouse gas reporting: conversion factors - Uruguay: BEN-Factor de emisión de CO ₂ del SIN - International Sources: IEA (2022), Emission Factors	- GWP values sourced from AR4. - Scope 2 emission factors sources: - 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 CO ₂ 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: CO ₂ factors from India Central Electricity Authority: Baseline Carbon Dioxide Emission Database, Version 19.0, December 2023. - UK: Greenhouse gas reporting: conversion factors 2023. Year 2023 Factors. From June 2023 Release - Uruguay: BEN-Factor de emisión de CO ₂ del SIN. Published October 2023. International Sources: IEA (2022), Emission Factors	AR4
Consolidation approach for emissions	Operational control	Operational control	Operational control
Standards, methodologies, assumptions, and/or calculation tools used	GHG Protocol Corporate Standard GHG Protocol Scope 2 Guidance	GHG Protocol Corporate Standard GHG Protocol Scope 2 Guidance	GHG Protocol
Biogenic emissions of CO ₂ from combustion or bio-degradation of biomass not included in Scope 2 GHG emissions (t CO ₂ e)	4.4	4.6	CAE started reporting on Biogenic Scope 2 emissions in FY24. No data available for previous fiscal years.

305-3 Other indirect (Scope 3) GHG emissions

1. Purchased goods and services (t CO ₂ e)	199,107	199,124	146,604 ¹
2. Capital goods (t CO ₂ e)	Not applicable in FY25. Capital goods emissions are included in Purchased goods and services category.	Not applicable in FY24. Capital goods emissions are included in Purchased goods and services category.	2,161 ¹
3. Fuel- and energy related activities (not included in scope 1 or scope 2) (t CO ₂ e)	18,820	17,450	18,006 ¹
6. Business travel (t CO ₂ e)	16,186	17,102	16,038 ¹
7. Employee commuting (t CO ₂ e)	5,140	5,114 ²	22,196 ^{1,3}

- Following the completion of the sale of its Healthcare business by CAE Inc. on February 16, 2024, we restated FY23 Scope 3 emissions, due to the significant amount of carbon emissions generated by this business unit for the categories currently calculated. However, FY23 Scope 1 and Scope 2 emissions remain unchanged.
- The decrease in Scope 3 GHG emissions from employee commuting between FY23 and FY24 is due to an improved methodology and lower reported commuting distance.
- CAE extended in FY23 the scope of its carbon emissions calculations by reporting for the first time the Scope 3 category "Employee Commuting." Methodology used by CAE relied on global employee data obtained through a survey (25% response rate) which was then extrapolated to approximately 250 sites in 40 countries based on yearly site usage.

GRI standards	FY25	FY24	FY23
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Topic-specific disclosures

GRI 305: Emissions 2016

305-3	Other indirect (Scope 3) GHG emissions	FY25	FY24	FY23
	11. Use of sold products (t CO ₂ e)	132,961	CAE started reporting on Use of sold products in FY25. No data available for previous fiscal years.	
	Total other indirect GHG emissions (Scope 3 based-figure) (t CO ₂ e)	372,214 ¹	238,790	205,005 ²
	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"> - GWPs sourced from AR4 when available - Scope 3 emission factor sources: <ul style="list-style-type: none"> Purchased goods and services - CDP reported emissions for relevant suppliers - US EPA EEIO - Ecoinvent Business travel & commuting - UK Government GHG Conversion Factors for Company Reporting - EPA Emission Factors for Greenhouse Gas Inventories Fuel and energy-related activities - Argonne Labs GREET - IEA - Canada National Inventory Report - EPA eGRID - UK Government GHG Conversion Factors for Company Reporting - eGrid- Data Explorer- Grid gross loss rates - Ecoinvent - GHGenius Use of sold products - U.S: eGRID Subregion Emission Factors, (Source: eGRID 2023, Published Sept 2023) - Australia National Greenhouse Gas Accounts (NGA) Factors - Brazil: 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 - Canada: National Inventory Report, Part 3, Annex 13 - India: CO₂ factors from India Central Electricity Authority: Baseline Carbon Dioxide Emission Database - Taiwan and Fiji: Carbon Data Initiative data - UK: Greenhouse gas reporting: conversion factors - Uruguay: BEN-Factor de emisión de CO₂ del SIN - International Sources: IEA (2022), Emission Factors 		
			<ul style="list-style-type: none"> - GWPs sourced from AR4 when available. - Scope 3 emission factor sources: <ul style="list-style-type: none"> Purchased goods and services - CDP-reported emissions for relevant suppliers - US EPA EEIO - Ecoinvent Business travel & commuting - UK Government GHG Conversion Factors for Company Reporting - EPA Emission Factors for Greenhouse Gas Inventories Fuel and energy-related activities - Argonne Labs GREET - IEA - Canada National Inventory Report - EPA eGRID - UK Government GHG Conversion Factors for Company Reporting - eGrid- Data Explorer- Grid gross loss rates - Ecoinvent - GHGenius 	

1 CAE extended in FY25 the scope of its 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.

2 Following the completion of the sale of its Healthcare business by CAE Inc. on February 16, we restated FY23 Scope 3 emissions, due to the significant amount of carbon emissions generated by this business unit for the categories currently calculated. However, FY23 Scope 1 and Scope 2 emissions remain unchanged.

GRI standards	FY25	FY24	FY23
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Topic-specific disclosures

GRI 305: Emissions 2016

305-3	Other indirect (Scope 3) GHG emissions	Consolidation approach for emissions; whether equity share, financial control, or operational control	Operational control approach for fuel- and energy-related activities. Other Scope 3 categories cover all CAE activities.	
		Standards, methodologies, assumptions, and/or calculation tools used	GHG Protocol Corporate Value Chain (Scope 3) Accounting and Reporting Standard.	
305-1,2,3	Total GHG emissions	Total Biogenic CO ₂ emissions (t CO ₂ e)	0	0
		Total GHG emissions (location-based) (t CO ₂ e)	455,924 ¹	316,946
		Total GHG emissions (market-based) (t CO ₂ e)	394,205 ¹	263,572
305-4	GHG emissions intensity	GHG emissions intensity (location-based) (t CO ₂ e/\$M CAD)	17.78	18.30
		GHG emissions intensity (market-based) (t CO ₂ e/\$M CAD)	4.67	5.80
305-5	Reduction of GHG emissions	Description of the initiative	Refer to Climate change mitigation - decarbonization, Responsible resource use and Energy	FY24 Global Annual Activity and Sustainability report , pages 47-50
				FY23 Global Annual Activity and Sustainability report , page 96

GRI 305: Emissions 2016

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 its 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	0.5
		Sox (t)	0	0
		Particulate matter (PM) (t)	0.4	0.3
		Volatile organic compounds (VOC) (t)	8.9	9.3
				CAE started reporting on GRI 305-7 in FY24. No data available for previous fiscal years.

GRI 306: Waste 2020

306-MT	Topic management disclosures	Topic management disclosures	Refer to Responsible resource use	FY24 Global Annual Activity and Sustainability report , pages 61-63	FY23 Global Annual Activity and Sustainability report , page 105
306-1	Waste generation and significant waste-related impacts	For the organization's Significant actual and potential waste-related impacts	Refer to Responsible resource use	FY24 Global Annual Activity and Sustainability report , page 61	FY23 Global Annual Activity and Sustainability report , page 105
306-3	Waste generated³	Amount of hazardous waste generated (t)	62.6	63.6	66
		Amount of non-hazardous waste generated (t)	1,201.4	1,112.7	1,179.0
		Total waste generated (t)	1,264.0	1,176.3	1,245.0

1 CAE extended in FY25 the scope of its 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.

2 Following the completion of the sale of its Healthcare business by CAE Inc. on February 16, we restated FY23 Scope 3 emissions, due to the significant amount of carbon emissions generated by this business unit for the categories currently calculated. However, FY23 Scope 1 and Scope 2 emissions remain unchanged.

3 The reported data is for our Montreal facility only.

GRI standards	FY25	FY24	FY23
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Topic-specific disclosures

GRI 306: Waste 2020

306-5	Waste directed to disposal ¹			
	Hazardous, Recycled/reused (t)	42.8	42.2	0
	Hazardous, Landfilled (t)	19.8	23	N/A
	Hazardous, Unknown disposal method (t)	0	0	66
	Non-hazardous, Recycled/reused (t)	975.1	N/A	N/A
	Non-hazardous, Landfilled (t)	226.3	N/A	N/A
	Non-hazardous, Unknown disposal method (t)	0	122	N/A
	Total waste recycled/reused (t)	1,017.9	990	1,067.0
	Total waste, Landfilled (t)	246.2	23	N/A
	Total waste, Unknown disposal method (t)	0	122	112

GRI 308: Supplier Environmental Assessment 2016

308-MT	Topic management disclosures			
	Topic management disclosures	Refer to Responsible supply chain management	FY24 Global Annual Activity and Sustainability report , pages 57-60 and pages 142-147	FY23 Global Annual Activity and Sustainability report , page 102 and page 197

308-1	New suppliers that were screened using environmental criteria			
	Number of new supplier screened using environmental criteria ²	10	13	CAE started reporting on GRI 308-1 in FY24. No data available for previous fiscal years.
	Percentage of new suppliers that were screened using environmental criteria	5.0%	5.7%	

308-2	Negative environmental impacts in the supply chain and actions taken			
	Number of suppliers assessed for environmental impacts	689	90	N/A
	Number of suppliers identified as having significant actual and potential negative environmental impacts	0	0	N/A
	Significant actual and potential negative environmental impacts identified in the supply chain	N/A		No suppliers had a negative environmental impact.

GRI 401: Employment 2016

401-MT	Topic management disclosures			
	Topic management disclosures	Refer to Talent management	FY24 Global Annual Activity and Sustainability report , pages 67-77	FY23 Global Annual Activity and Sustainability report , page 102

401-1	Total new employee hires			
	Total number of employee hires	1,456	2,050	2,759
	New employee hire rate (% of total employees)	11.9%	15.8%	21%

401-1	New employee hires, by age group			
	Below 30 years old	393	626	867
	Below 30 years old (Rate)	27.0%	30.5%	31.0%
	30-50 years old	683	1,038	1,351
	30-50 years old (Rate)	46.9%	50.6%	49.0%

1 The reported data is for our Montreal facility only. The non-hazardous waste is disposed and recycled with authorized waste disposal companies, in compliance with applicable regulations.
 2 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 Montreal and other sites and training centres are in the process of being deployed.

GRI standards	FY25	FY24	FY23	
Topic-specific disclosures				
GRI 401: Employment 2016				
401-1	New employee hires, by age group			
	Over 50 years old	380	386	541
	Over 50 years old (Rate)	26.1%	18.3%	20%
401-1	New employee hires, by gender			
	Women (Rate)	22.9%	24.9% ¹	26.4%
	Men (Rate)	77.1%	75.0%	73.6%
401-1	New employee hires, by region			
	North America	1,000	CAE started reporting on this category in FY25. No data available for previous fiscal years.	
	North America (Rate)	68.7%		
	Quebec	281	464	628
	Quebec (Rate)	19.3%	22.6%	22.8%
	Rest of Canada	74	81	129
	Rest of Canada (Rate)	5.1%	4.0%	4.7%
	U.S.	643	749	1,106
	U.S. (Rate)	44.2%	36.5%	40.0%
	South America	27	59	47
	South America (Rate)	1.9%	2.9%	1.7%
	Europe, Middle-East, Africa (EMEA)	280	475	600
	Europe, Middle-East, Africa (EMEA) (Rate)	19.2%	23.2%	21.8%
	Asia-Pacific (APAC)	149	222	249
	Asia-Pacific (APAC) (Rate)	10.2%	10.8%	9.0%
401-1	Total employee turnover			
	Voluntary turnover	1,082	1,108	1,529
	Voluntary turnover (Rate)	8.6%	8.5%	12.0%
	Involuntary turnover	1,180	941	416
	Involuntary turnover (Rate)	9.4%	7.2%	3.3%
	Total turnover	2,262	2,049	1,945
	Total turnover (Rate)	18%	15.8%	15.2%
401-1	Employee turnover, by gender			
	Women	575	458	472
	Women (Rate)	19.0%	15.0%	3.7%
	Men	1,687	1,590	1,473
	Men (Rate)	17.0%	16.0%	11.6%

¹ Employees categorized as unknown gender represented 0.05% of new hires in FY24.

GRI standards	FY25	FY24	FY23
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Topic-specific disclosures

GRI 401: Employment 2016

401-1 Employee turnover, by age group

Below 30 years old	437	328	428
Below 30 years old (Rate)	3.5%	2.5%	3.4%
30 - 50 years old	1,062	955	956
30 - 50 years old (Rate)	8.5%	7.3%	7.5%
Over 50 years old	763	766	561
Over 50 years old (Rate)	6.1%	5.9%	4.4%

401-1 Employee turnover, by region

North America	1,325	CAE started reporting on this category in FY25. No data available for previous fiscal years.	
North America (Rate)	10.6%		
Quebec	384	300	355
Quebec (Rate)	3.1%	2.3%	2.8%
Rest of Canada	104	98	76
Rest of Canada (Rate)	0.8%	0.8%	0.6%
U.S.	834	1140	927
U.S. (Rate)	6.6%	8.8%	7.3%
South America	37	25	26
South America (Rate)	0.3%	0.2%	0.2%
Europe, Middle-East, Africa (EMEA)	749	328	425
Europe, Middle-East, Africa (EMEA) (Rate)	6%	2.5%	3.3%
Asia-Pacific (APAC)	151	158	136
Asia-Pacific (APAC) (Rate)	1.2%	1.2%	1.0%

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'	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. 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 gender¹

Women	2,834	3,028	CAE started reporting on GRI 401-3 in FY24
Men	9,448	9,778	

¹ The data reported only covers our employees located in Canada and in the U.S., representing more than 70% of our total employees.

GRI standards	FY25	FY24	FY23
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Topic-specific disclosures

GRI 401: Employment 2016

401-3	Employees that took parental leave, by gender			
	Women	198	142	CAE started reporting on GRI 401-3 in FY24
	Men	522	555	
401-3	Employees that returned to work in the reporting period after parental leave ended, by gender			
	Women	64	63	CAE started reporting on GRI 401-3 in FY24
	Men	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	66	59	CAE started reporting on GRI 401-3 in FY24
	Men	293	300	
401-3	Return to work rates of employees that took parental leave, by gender			
	Women	100%	100%	CAE started reporting on GRI 401-3 in FY24
	Men	100%	100%	
401-3	Retention rates of employees that took parental leave, by gender			
	Women	100%	98.3%	CAE started reporting on GRI 401-3 in FY24
	Men	100%	98.7%	

GRI 402: Labor/Management Relations 2016

402-MT	Topic management disclosures			
	Topic Management Disclosures	Refer to Talent management	FY24 Global Annual Activity and Sustainability report , pages 67-77	FY23 Global Annual Activity and Sustainability report , page 109

GRI 403: Occupational Health and Safety 2018

403-MT	Topic management disclosures			
	Topic Management Disclosures	Refer to Occupational Health and Safety	FY24 Global Annual Activity and Sustainability report , pages 78-81	FY23 Global Annual Activity and Sustainability report , page 123
403-1	Occupational health and safety management system			
	Implementation of occupational health and safety management systems	The management system applies to all employees, sites and teams without exception.	FY24 Global Annual Activity and Sustainability report , pages 78-81 and pages 149-156	FY23 Global Annual Activity and Sustainability report , page 123 and page 206
403-2	Hazard identification, risk assessment, and incident investigation			
	Hazard identification, risk assessment and incident investigation	Refer to Occupational Health and Safety	FY24 Global Annual Activity and Sustainability report , pages 78-81	FY23 Global Annual Activity and Sustainability report , page 123
	Description of the processes used to identify work-related hazards and assess risks on a routine and non-routine basis	Refer to Occupational Health and Safety	FY24 Global Annual Activity and Sustainability report , pages 78-81	FY23 Global Annual Activity and Sustainability report , page 123

GRI standards	FY25	FY24	FY23
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Topic-specific disclosures

GRI 403: Occupational Health and Safety 2018

403-2	Hazard identification, risk assessment, and incident investigation			
	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 Occupational Health and Safety	FY24 Global Annual Activity and Sustainability report , pages 78-81	FY23 Global Annual Activity and Sustainability report , page 123
	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 Occupational Health and Safety	FY24 Global Annual Activity and Sustainability report , pages 78-81	FY23 Global Annual Activity and Sustainability report , page 123
	Description of the processes used to investigate work-related incidents	Refer to Occupational Health and Safety	FY24 Global Annual Activity and Sustainability report , pages 78-81	FY23 Global Annual Activity and Sustainability report , page 123

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 Occupational Health and Safety	FY24 Global Annual Activity and Sustainability report , pages 78-81	FY23 Global Annual Activity and Sustainability report , page 123

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 Occupational Health and Safety	FY24 Global Annual Activity and Sustainability report , pages 78-81	FY23 Global Annual Activity and Sustainability report , page 123

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 ¹	Refer to Talent management	FY24 Global Annual Activity and Sustainability report , pages 67-77	FY23 Global Annual Activity and Sustainability report , page 109 and page 121
	Description of any voluntary health promotion service and programs offered to workers to address major non-work-related health risks	Refer to Talent management	FY24 Global Annual Activity and Sustainability report , pages 67-77	FY23 Global Annual Activity and Sustainability report , page 109 and page 121

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 Occupational Health and Safety	All contractors whose work is governed by CAE have to follow our EH&S processes. FY24 Global Annual Activity and Sustainability report , pages 78-81	FY23 Global Annual Activity and Sustainability report , page 123

403-8	Workers covered by an occupational health and safety management system			
	Number ²	13,641	15,849	16,376
	Percentage	100%	100%	100%

403-9	Work-related injuries ³			
	Fatalities as a result of work-related injury	1	0	0
	Fatalities as a result of work-related injury (Rate)	0.01	0	0
	Fatalities as a result of work-related injury (live flight training)	1 ⁴	0	0
	Fatalities as a result of work-related injury (live flight training) (Rate)	0.01	0	0

1 All business processes involving the handling of personal information must comply with applicable laws and regulations and CAE's Global Data Privacy Policy, which sets forth the principles for the fair handling of personal information. Some of these key principles require the business process owner to document the purpose for which the collection and processing of personal information is necessary and the legal basis for such processing. CAE's medical team in Montreal and the Health and Safety department are responsible and accountable for the personal information they collect, use, store and process. Given their sensitivity, such information must be kept separate from our HR system. The same principles apply in all other business units.

2 This figure includes the total number of employees as well as workers who are not employees (contingent workers).

3 Rates have been calculated based on 200,000 hours worked. No workers have been excluded from this disclosure.

4 An aircraft crash on August 7, 2024, resulted in the fatality of a CAE instructor pilot. The instructor was flying an U.S. Army Apache, AH-64, helicopter on a training flight in the Ft Novosel training area near Dothan, AL. The U.S. Army student on board received minor injuries. The CAE employee was an instructor on the U.S. Army Advanced Helicopter Flight Training Support (AHFTS) program.

GRI standards	FY25	FY24	FY23
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Topic-specific disclosures

GRI 403: Occupational Health and Safety 2018

403-9	Work-related injuries ¹			
	Contractor fatalities as a result of work-related injury	0	1 ²	0
	High-consequence work-related injuries (excluding fatalities) ³	1	2	0
	High-consequence work-related injuries (excluding fatalities) (Rate)	0.01	0.01	0
	Recordable work-related injuries	49	51	56
	Recordable work-related injuries (Rate)	0.35	0.34	0.38
	Injury types			
	Falls, slips, trips (%)	33%	24%	36%
	Ergonomics injuries (%)	22%	14%	21%
	Hand injuries (%)	16%	27%	13%
	Struck against (%)	This category does not apply in FY25	8%	This category does not apply in FY23
	Eye injuries, foreign body or particle (%)		14%	
	Lacerations, excluding hand lacerations (%)	10%	This category does not apply in FY24	
	Head injuries (%)	6%		
	Other (%)	13%	13%	30%
	Total number of hours worked by all employees (h)	28,124,945	30,072,181	25,936,607
	Number of observations of hazardous situations	1,390	1,201	1,071
	Rate of observations of hazardous situations (x200,000 hours worked)	9.88	7.99	7.26

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 hazard. However, given the nature our operations, the likelihood of this hazard materializing is very low. Highlighted hazards are assessed and managed under CAE's existing EH&S programs and procedures. In addition, relevant training is given to employees and only qualified personel are assigned to these tasks.		

GRI 404: Training and Education 2016

404-MT	Topic management disclosures		FY24 Global Annual Activity and Sustainability report, pages 67-77	FY23 Global Annual Activity and Sustainability report, page 114
	Topic management disclosures	Refer to Talent management		

404-1	Average hours of training per year per employee, by employment category			
	Average number of training hours per employees (h)	5.38 ⁴	Calculation methodology was refined in FY25. Refer to the FY24 Global Annual Activity and Sustainability report, page 177	Not reported. This data is not collected and tracked yet.

1 All business processes involving the handling of personal information must comply with applicable laws and regulations and CAE's Global Data Privacy Policy, which sets forth the principles for the fair handling of personal information. Some of these key principles require the business process owner to document the purpose for which the collection and processing of personal information is necessary and the legal basis for such processing. CAE's medical team in Montreal and the Health and Safety department are responsible and accountable for the personal information they collect, use, store and process. Given their sensitivity, such information must be kept separate from our HR system. The same principles apply in all other business units.

2 Following the incident, 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.

3 Incidents resulting in over six months of lost time were thoroughly investigated to identify root causes and corrective measures have been implemented.

4 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.

GRI standards	FY25	FY24	FY23
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Topic-specific disclosures

GRI 404: Training and Education 2016

404-1	Average hours of training per year per employee, by gender and by employment category		
Women (h)	5.13	Calculation methodology was refined in FY25. Data not available for previous fiscal years	Not reported. This data is not collected and tracked yet.
Men (h)	5.45		
Unknown (h)	6.11		
Senior executive (h)	1.96		
Executive (h)	3.39		
Director (h)	3.85		
Manager (h)	5.23		
Staff (h)	5.43		

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	FY24 Global Annual Activity and Sustainability report , pages 67-77	FY23 Global Annual Activity and Sustainability report , page 109 and page 114
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	FY24 Global Annual Activity and Sustainability report , pages 67-77	FY23 Global Annual Activity and Sustainability report , page 109 and page 114

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	11,818	11,641	11,793
Percentage of employees who receive such review (%)	96.16%		
Women	2,818	CAE refined its calculation methodology in FY25. Data not available for previous fiscal years.	
Men	8,995		
Senior executive	10		
Executive	48		
Director	200		
Manager	1,572		
Staff	9,987		

GRI 405: Diversity and Equal Opportunity 2016

405-MT	Topic management disclosures		
Topic management disclosures	Refer to Talent management	FY24 Global Annual Activity and Sustainability report , pages 89-99	FY23 Global Annual Activity and Sustainability report , page 135

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. FY23 data was restated to reflect a methodological change implemented in FY24.

GRI standards	FY25	FY24	FY23
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Topic-specific disclosures

GRI 405: Diversity and Equal Opportunity 2016

405-1	Diversity of governance bodies and employees			
Board age diversity				
	Under 30 years old	0	0	0
	30-50 years old	1	0	0
	30-50 years old (%)	8%	0%	0%
	Above 50 years old	12	13	13
	Above 50 years old (%)	92%	100%	100%

405-1	Diversity of governance bodies and employees			
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%
	Women	5	5	4
	Women (%)	38%	38%	31%
	Men	8	8	9
	Men (%)	62%	62%	69%

405-1	Diversity of governance bodies and employees			
Employees, by employment category, by gender				
Senior executive	Women	1	3	3
	Women (%)	12.5%	27.3%	27.3%
	Men	7	8	8
	Men (%)	87.5%	72.7%	72.7%
Executive	Women	13	12	12
	Women (%)	32.5%	25.5%	25.0%
	Men	27	35	36
	Men (%)	67.5%	74.5%	75.0%
Director	Women	41	44	44
	Women (%)	21.9%	21.5%	21.0%
	Men	146	161	166
	Men (%)	78.1%	78.5%	79.0%

GRI standards	FY25	FY24	FY23
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Topic-specific disclosures

GRI 405: Diversity and Equal Opportunity 2016

405-1 Diversity of governance bodies and employees

Employees, by employment category, by gender				
Manager	Women	375	364	341
	Women (%)	24.6%	24.0%	23.2%
	Men	1,147	1,153	1,129
	Men (%)	75.4%	76.0%	76.8%
Staff	Women	2,404	2,605	2,685
	Women (%)	22.8%	23.6%	23.3%
	Men	8,121	8,421	8,791
	Men (%)	77.1%	76.4%	76.6%

405-1 Diversity of governance bodies and employees

Employees, by employment category, by age group				
Senior executive	Under 30 years old	0	0	0
	30-50 years old	2	4	4
	30-50 years old (%)	25.0%	36.4%	36.4%
	Over 50 years old	6	7	7
	Over 50 years old (%)	75.0%	63.6%	63.6%
Executive	Under 30 years old	0	0	0
	30-50 years old	22	25	23
	30-50 years old (%)	55.0%	53.2%	47.9%
	Over 50 years old	18	22	25
	Over 50 years old (%)	45.0%	46.8%	52.1%
Director	Under 30 years old	0	0	0
	30-50 years old	107	114	112
	30-50 years old (%)	57.2%	55.6%	53.3%
	Over 50 years old	80	91	98
	Over 50 years old (%)	42.8%	44.4%	46.7%
Manager	Under 30 years old	26	34	35
	Under 30 years old (%)	1.7%	2.2%	2.4%
	30-50 years old	917	914	877
	30-50 years old (%)	60.3%	60.3%	59.7%
	Over 50 years old	579	569	558
	Over 50 years old (%)	38.0%	37.5%	38.0%
Staff	Under 30 years old	1,669	1,936	1,850
	Under 30 years old (%)	15.9%	17.6%	16.1%
	30-50 years old	5,166	5,363	5,629
	30-50 years old (%)	49.1%	48.7%	49.0%
	Over 50 years old	3,697	3,732	3,999
	Over 50 years old (%)	35.1%	33.9%	34.8%

GRI standards	FY25	FY24	FY23
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Topic-specific disclosures

GRI 405: Diversity and Equal Opportunity 2016

405-2	Ratio of basic salary and remuneration of women to men			
	Senior executive, Canada	0.48 ¹	0.3	0.3
	Senior executive, U.S.	In FY25, there was no female senior executive in the U.S.	1.2	1.6
	Executive, Canada	0.8	0.8	0.8
	Executive, U.S.	0.9	0.8	1.0
	Director, Canada	0.93	1.0	1.0
	Director, U.S.	0.97	1.0	1.1
	Manager, Canada	0.97	0.97	0.98
	Manager, U.S.	0.90	0.92	1.02
	Staff, Canada	0.96	0.94	0.96
	Staff, U.S.	0.81	0.80	0.78
	Overall ratio of basic salary and remuneration of women to men	0.90	0.83 ²	0.94

GRI 406: Non-discrimination 2016

406-MT	Topic management disclosures			
	Topic management disclosures	Refer to Talent management, Human rights and Business ethics	FY24 Global Annual Activity and Sustainability report , pages 100-103, pages 89-99 and and pages 128-132	FY23 Global Annual Activity and Sustainability report , page 135, page 147, and page 180

406-1	Incidents of discrimination and corrective actions taken			
	Total number of incidents of discrimination during the reporting period	11 ³	8 ⁴	8 ⁵

GRI 407: Freedom of Association and Collective Bargaining 2016

407-MT	Topic management disclosures			
	Topic management disclosures	Refer to Human rights	FY24 Global Annual Activity and Sustainability report , pages 100-103	FY23 Global Annual Activity and Sustainability report , page 147

GRI 408: Child Labor 2016

408-MT	Topic management disclosures			
	Topic management disclosures	Refer to Human rights	FY24 Global Annual Activity and Sustainability report , pages 100-103	FY23 Global Annual Activity and Sustainability report , page 147

GRI 409: Forced or Compulsory Labor 2016

409-MT	Topic management disclosures			
	Topic management disclosures	Refer to Human rights	FY24 Global Annual Activity and Sustainability report , pages 100-103	FY23 Global Annual Activity and Sustainability report , page 147

1 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.
 2 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.
 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.
 5 In FY23, CAE handled 41 whistleblowing reports, of which eight contained allegations of discrimination.

GRI standards		FY25	FY24	FY23
Topic-specific disclosures				
GRI 410: Security Practices 2016				
410-MT	Topic management disclosures			
	Topic management disclosures	Refer to Human rights	FY24 Global Annual Activity and Sustainability report , pages 100-103	FY23 Global Annual Activity and Sustainability report , page 147
GRI 411: Rights of Indigenous Peoples 2016				
411-MT	Topic management disclosures			
	Topic Management Disclosures	Refer to Education and community engagement	FY24 Global Annual Activity and Sustainability report , pages 89-99	FY23 Global Annual Activity and Sustainability report , page 135
411-1	Incidents of violations involving rights of indigenous peoples			
	Total number of identified incidents of violations involving the rights of indigenous people's 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	FY24 Global Annual Activity and Sustainability report , pages 114-123	FY23 Global Annual Activity and Sustainability report , page 168
GRI 414: Supplier Social Assessment 2016				
414-MT	Topic management disclosures			
	Topic management disclosures	Refer to Responsible supply chain management	FY24 Global Annual Activity and Sustainability report , pages 142-147	FY23 Global Annual Activity and Sustainability report , page 197
414-1	New suppliers that were screened using social criteria			
	Number of new supplier screened using social criteria	10	13	No data available for FY23 due to relevant criteria being implemented into specific sourcing process concomitantly with end of reporting period
	Percentage of new suppliers that were screened using social criteria	5%	Data not available for previous fiscal years.	
414-2	Negative social impacts in the supply chain and actions taken			
	Number of suppliers assessed for social impacts ¹	689	90	CAE identified one supplier in potential violation of the Supplier Code of Conduct.
	Number of suppliers identified as having significant actual and potential negative social impacts	0	1	
	Significant actual and potential negative social impacts identified in the supply chain	There were no negative social impacts identified in the supply chain in FY25.	One supplier flagged for human rights violation.	
	Percentage of suppliers identified as having significant actual and potential negative social impacts with which improvements were agreed upon as a result of assessment	0%	100%	
	Percentage of suppliers identified as having significant actual and potential negative social impacts with which relationships were terminated as a result of assessment	0%	0%	
	Type of action taken	N/A	FY24 Global Annual Activity and Sustainability report , pages 100-103	

¹ This data excludes spend and suppliers from CAE USA.

GRI standards	FY25	FY24	FY23
Topic-specific disclosures			
GRI 415: Public Policy 2016			
415-MT	Topic management disclosures		
Topic management disclosures	Refer to Business ethics	FY24 Global Annual Activity and Sustainability report , pages 128-132	FY23 Global Annual Activity and Sustainability report , page 180
415-1	Political contributions		
Total monetary value of direct political contributions	0	0	0
GRI 416: Customer Health and Safety 2016			
416-MT	Topic management disclosures		
Topic management disclosures	Refer to Occupational Health and Safety	FY24 Global Annual Activity and Sustainability report , pages 78-81	FY23 Global Annual Activity and Sustainability report , page 123
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	96.2 ²	64	71
Rate of Category A and B incidents per 10,000 flight hours ¹	0.17	3 ³	0
Acceptable Level of Safety Performance (ALoSP) for ab initio training centres (%)	44% ⁴	82%	69%
Acceptable Level of Safety Performance (ALoSP) for non ab initio training centres(%)	71%	75%	75%
Explanation	Refer to Aviation safety	FY24 Global Annual Activity and Sustainability report , pages 82-86	FY23 Global Annual Activity and Sustainability report , pages 128-134
CUS 002	Flight safety - Defense and Security		
Rate of voluntary reports per 10,000 flight hours	64	46	55.5
Rate of Category A and B incidents per 10,000 flight hours	0.11	0.11	0
GRI 417: Marketing and Labeling 2016			
417-2	Incidents of non-compliance concerning product and service information and labeling		
Incidents of non-compliance with voluntary codes	No instances of non-compliance with regulations and/or voluntary codes have been identified.		
417-3	Incidents of non-compliance concerning marketing communications		
Incidents of non-compliance with voluntary codes	No instances of non-compliance with regulations and/or voluntary codes have been identified.		
GRI 418: Customer Privacy 2016			
418-MT	Topic management disclosures		
Topic management disclosures	Refer to Data privacy	FY24 Global Annual Activity and Sustainability report , pages 128-132	FY23 Global Annual Activity and Sustainability report , page 180
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.		

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.

SASB Index

Due to the closing of the sale of its Healthcare business by CAE Inc. on February 16, 2024 all data related to the Healthcare division has been excluded.

		FY25	FY24	FY23
Environment				
Energy Management				
SASB RT-AE-130a.1	1. Total energy consumed (GJ)	1,097,862	1,048,295	1,045,444
	2. Percentage grid electricity	74.0%	70.3%	69.3%
	3. Percentage renewable	61.9% ¹	69.1% ²	68.1% ²
Hazardous Waste Management				
SASB RT-AE-150a.1	Amount of hazardous waste generated, percentage recycled			
	Percentage recycled of hazardous waste generated (%)	68.4%	66.4%	0%
	Amount of hazardous waste generated (t) ³	62.6	63.6	66
SASB RT-AE-150a.2	Number and aggregate quantity of reportable spills, quantity recovered			
	Number of reportable spills	0	0	0
Social Capital				
Data Security				
SASB RT-AE-230a.1	Number of data breaches involving customer confidential information	0	2 ⁴	0
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	FY24 Global Annual Activity and Sustainability report , pages 133-136	FY23 Global Annual Activity and Sustainability report , page 187
	Description of approach to identifying and addressing data security risks	CAE has multiple guidelines, policies and standards that address the various controls and process (including risk management) to address data protection.		
SASB SV-PS-230a.2	Description of policies and practices relating to collection, usage, and retention of customer information	Refer to Data privacy	FY24 Global Annual Activity and Sustainability report , pages 133-136	FY23 Global Annual Activity and Sustainability report , page 187
SASB SV-PS-230a.3	Number of data breaches involving customer confidential information	0	2 ⁴	0
	Percentage of data breaches involving customers' confidential business information (CBI) or personally identifiable information (PII)	0%	100%	0%

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

2 Includes purchased Energy Attribute Certificates (EACs).

3 The reported data is for our Montreal facility only.

4 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.

	FY25	FY24	FY23
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Social Capital

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 ¹	This metric does not apply because CAE is not an aircraft manufacturer; we measure our aviation safety performance using custom flight safety metrics — see the FY24 Global Annual Activity and Sustainability report, pages 176 and 184.		This metric does not apply because CAE is not an aircraft manufacturer; we measure our aviation safety performance using custom flight safety metrics — see the FY23 Global Annual Activity and Sustainability report , pages 234–235 and page 245.

SASB RT-AE-250a.2	Number of counterfeit parts detected, percentage avoided		
Number of counterfeit parts detected ²	0	0	0

SASB RT-AE-250a.3	Number of Airworthiness Directives received, total units affected		
Number of Airworthiness Directives received - Civil ³	9	1	7
Total units affected - Civil	172	11	17
Number of Airworthiness Directives received - D&S ³	3	1	0
Total units affected - D&S	6	4	0
Number of Airworthiness Directives received - Total ³	12	2	7
Total units affected - Total	178	15	17
Explanation	Refer to Aviation safety	No Airworthiness Directives' were raised that were of significant impact, and there were no incidents/accidents as a result of the Airworthiness Directives's	FY23 Global Annual Activity and Sustainability report , page 128

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
The entity shall briefly describe the nature, context, and any corrective actions taken as a result of the monetary losses	Not applicable.	Not applicable.	Not applicable.

Human Capital

Workforce Diversity & Engagement

SASB SV-PS-330a.2	Voluntary and involuntary turnover rate for employees		
Involuntary turnover rate for employees	9.4%	7.2%	3.3% ⁴
Voluntary turnover rate for employees	8.6%	8.5%	12.0% ⁴

1 Only covers Civil Aviation and Defense & Security products.
 2 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.
 3 All Airworthiness Directives received were complied with, as required by regulation.
 4 Trend inversion linked to resumption of normal business activities post-COVID-19 and labour shortage impact.

	FY25	FY24	FY23
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Human Capital

Workforce Diversity & Engagement

SASB SV-PS-330a.3	Employee engagement			
	Employee engagement	77%	77%	76%
	Description of the methodology employed	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.		

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 – decarbonization, Carbon impact and Energy	FY24 Global Annual Activity and Sustainability report , pages 44-56	FY23 Global Annual Activity and Sustainability report , page 88 and page 96

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.		

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 ¹	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 ²	\$439,562,382	\$302,822,623 ³	\$329,437,585 ³
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	FY24 Global Annual Activity and Sustainability report , pages 128-132	FY23 Global Annual Activity and Sustainability report , page 180

1 CAE has an ethics and anti-corruption program in place designed to comply with applicable anti-corruption laws (including the U.K. Bribery Act 2010 and the U.S. Foreign Corrupt Practices Act of 1977). Our Anti-Corruption Policy is reviewed regularly to align with leading industry practices.

2 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, including but not limited to: Brazil, China, Saudi Arabia, United Arab Emirates and Thailand. 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.

3 The financial data reported for FY23 and 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.

	FY25	FY24	FY23
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Leadership & Governance

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	FY24 Global Annual Activity and Sustainability report , pages 128-132	FY23 Global Annual Activity and Sustainability report , page 180

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		
Annual production - Civil <i>(number of simulators delivered)</i>	61	47	46

SASB RT-AE-000.B / SASB SV-PS-000.A	Number of employees by: full-time and part-time		
Total number of employees	12,289	12,811	13,217
Full-time	11,959	12,497	12,906
Part-time	330	314	311

SASB SV-PS-000.B	Employee hours worked		
Total number of hours worked by all employees (h)	28,124,945	30,072,181	25,936,607



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.



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 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 [FY25 MD&A](#)), the executive management transition costs (as described in Section 5.6 of the [FY25 MD&A](#)), the impairment of goodwill (as described in Note 14 of our consolidated financial statements for the year ended March 31, 2024), 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) and the impairment reversal of non-financial assets following their repurposing and optimization (as described in Note 5 of our consolidated financial statements for the year ended March 31, 2023). 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 13.3 "Non-IFRS measure reconciliations" of the [FY25 MD&A](#) for a reconciliation of this measure to the most directly comparable measure under IFRS, which reconciliation is incorporated by reference into this report.

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 13.3 "Non-IFRS measure reconciliations" of the [FY25 MD&A](#) for a calculation of this measure which calculation is incorporated by reference into this report.

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 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 [FY25 MD&A](#)), the executive management transition costs (as described in Section 5.6 of the [FY25 MD&A](#)), the impairment of goodwill (as described in Note 14 of our consolidated financial statements for the year ended March 31, 2024), 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) and the impairment reversal of non-financial assets following their repurposing and optimization (as described in Note 5 of our consolidated financial statements for the year ended March 31, 2023). 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 13.3 "Non-IFRS measure reconciliations" of the [FY25 MD&A](#) for a reconciliation of this measure to the most directly comparable measure under IFRS, which reconciliation is incorporated by reference into this report. ►

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 13.3 “*Non-IFRS measure reconciliations*” of the [FY25 MD&A](#) for a calculation of this measure, which reconciliation is incorporated by reference into this report.

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 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 [FY25 MD&A](#)), the executive management transition costs (as described in Section 5.6 of the [FY25 MD&A](#)), the impairment of goodwill (as described in Note 14 of our consolidated financial statements for the year ended March 31, 2024), 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) and the impairment reversal of non-financial assets following their repurposing and optimization (as described in Note 5 of our consolidated financial statements for the year ended March 31, 2023). 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 13.3 “*Non-IFRS measure reconciliations*” of the [FY25 MD&A](#) for a reconciliation of these measures to the most directly comparable measure under IFRS, which reconciliation is incorporated by reference into this report.

Free cash flow

Free cash flow is a non-IFRS financial measure that shows us how much cash we have available to invest in growth opportunities, repay debt and meet ongoing financial obligations. 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 maintenance capital expenditures, intangible assets expenditures excluding capitalized development costs, other investing activities not related to growth and dividends paid 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 [FY25 MD&A](#) for a reconciliation of this measure to the most directly comparable measure under IFRS which reconciliation is incorporated by reference into this report.

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 capital employed*” of the [FY25 MD&A](#) for a reconciliation of this measure to the most directly comparable measure under IFRS, which reconciliation is incorporated by reference into this report. ▶



Capital employed

Capital employed is a non-IFRS financial measure we use to evaluate and monitor how much we are investing in our business. We measure it from two perspectives:

Use of capital:

- 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).

Source of capital:

- In order to understand our source of capital, we add net debt to total equity.

Refer to Section 8.1 “*Consolidated capital employed*” of the [FY25 MD&A](#) for a reconciliation of this measure to the most directly comparable measure under IFRS, which reconciliation is incorporated by reference into this report.

Adjusted return on capital employed (ROCE)

Adjusted ROCE is a non-IFRS ratio calculated over a rolling four-quarter period by taking net income attributable to equity holders of the Company from continuing operations adjusting for net finance expense, after tax, restructuring, integration and acquisition costs, and impairments and other gains and losses arising from significant strategic transactions or specific events divided by the average capital employed from continuing operations. Impairments and other gains and losses arising from significant strategic transactions or specific events consist of 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 [FY25 MD&A](#)), the executive management transition costs (as described in Section 5.6 of the [FY25 MD&A](#)), the impairment of goodwill (as described in Note 14 of our consolidated financial statements for the year ended March 31, 2024), 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) and the impairment reversal of non-financial assets following their repurposing and optimization (as described in Note 5 of our consolidated financial statements for the year ended March 31, 2023). We use adjusted ROCE to evaluate the profitability of our invested capital.

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 capital employed*” of the [FY25 MD&A](#) for a reconciliation of this measure to the most directly comparable measure under IFRS, which reconciliation is incorporated by reference into this report.

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 13.3 “*Non-IFRS measure reconciliations*” of the [FY25 MD&A](#) for a calculation of these measures, which calculation is incorporated by reference into this report.

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 [FY25 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, 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 and acquisitions, business continuity, subcontractors, fixed price and long-term supply contracts, our continued reliance on certain parties and information, and health and safety; 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 shareholder activism, availability of capital, customer credit risk, foreign exchange, effectiveness of internal controls over financial reporting, liquidity risk, interest rate volatility, returns to shareholders, estimates used in accounting, impairment risk, pension plan funding, indebtedness, acquisition and integration costs, sales of additional common shares, market price and volatility of our common shares, seasonality, taxation matters and adjusted backlog; legal and regulatory 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; and technological risks, such as information technology (IT) and reliance on third-party providers for information technology systems and infrastructure management.

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 this report. You will find more information about the risks and uncertainties affecting our business in Section 11 "*Business risk and uncertainty*" of the [MD&A](#) for the year ended March 31, 2025, available on our website (cae.com), SEDAR+ (SEDARplus.ca) and EDGAR (sec.gov). ▶

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 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 and 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 defend our position in the dispute with the buyer of the CAE Healthcare business, and the realization of the expected strategic, financial and other benefits of the increase of our ownership stake in SIMCOM Aviation Training in the timeframe anticipated. 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 11 "Business risk and uncertainty" of the MD&A for the year ended March 31, 2025, available on our website (cae.com), SEDAR+ (SEDARplus.ca) and EDGAR (sec.gov), which section is incorporated into this report by this reference. ■

FISCAL YEAR 2025

Global Annual Activity and Sustainability Report

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